

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965

No. 46

UNITED STATES, APPELLANT,

vs.

GENERAL MOTORS CORPORATION ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF CALIFORNIA

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No. 143—Letter to Gene Staley from E. H. Colliau, Colliau Chevrolet, dated March 17, 1961	1375	796
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No. 197—Letter to Glenn S. Roberts, Los Angeles, from Robert Sorensen, Community Chevrolet, dated March 6, 1961	1449	864
No. 198—Letter to Owen Keown, President, Owen Keown Chevrolet, from K. E. Staley, dated December 16, 1960	1450	865
No. 200—Letter to All Chevrolet Dealers from K. E. Staley, General Sales Manager, Chevrolet Motors Division, dated August 1, 1960, with attached letter of instructions addressed to All Chevrolet Wholesale Personnel from K. E. Staley, dated July 29, 1960	1455	870

Record from the United States District Court for the
Southern District of California, Central Division—
Continued

Plaintiff's Exhibits—Continued

	Original	Print
No. 201—Inter-Organization letter to H. E. Crawford from L. N. Mays, Assistant General Sales Manager for the West, Chevrolet Motor Division, re Discount House Activity Pacific Coast Region, dated January 18, 1961	1458	873
No. 212—Looseleaf booklet entitled, "Prepared by Statistical Tabulating Corporation"—contains "print out" listing all 1960 sales of Chevrolets by seven dealers who sold through discount houses and referral services	1460	876

Volume III

No. 287—Chart showing 1960 Chevrolet Dealer Volume in Los Angeles metropolitan area ...	1810	1229
No. 290—Letter to Robert O'Connor from Phil Johnston, College Chevrolet, Inc., dated March 21, 1961	1812	1231

DEFENDANTS' EXHIBITS:

A—Map of Chevrolet-Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer and discount house locations (Stipulation of Facts Number Three) (See Clerk's note.)	1813	1232
B—Map of Chevrolet-Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer, Ford (Ford, Mercury, Comet) dealer, Chrysler (Plymouth, Dodge) dealer, Rambler dealer, Studebaker dealer, and Volkswagen dealer locations (Stipulation of Facts Number Three) (See Clerk's note.)	1813	1232
C—Listing of Chevrolet dealers and identifying numbers for Defendants' Exhibits A and B (Stipulation of Facts Number Three) (Blue Dots)	1814	1233
D—Listing of discount houses and referral services and identifying numbers for Defendants' Exhibit A (Stipulation of Facts Number Three) (Red Dots)	1821	1238
J—Tabulation from Defendants' Exhibit B by identifying number showing each Chevrolet dealer, Ford dealer, Chrysler dealer, Rambler dealer, Studebaker dealer and Volkswagen dealer located within a five mile radii of each Chevrolet dealer indexed in Defendants' Exhibit C	1824	1240

Record from the United States District Court for the
Southern District of California, Central Division—
Continued

Defendants' Exhibits—Continued

	Original	Print
AA—Stipulation of Facts Number Two, dated May 20, 1964, with attachments—Gemeo Auto Show—Discount house ads (excerpts)	1846	1261
AP—Dealers Diversified Services, Inc. letter of instructions to cooperating dealers—undated	1879	1293
AQ—Letter to J. H. Connell from L. N. Mays, dated November 23, 1960	1880	1295
AR—Letter to K. E. Staley from Frank Green, dated December 2, 1960, with attached copy of Auto Dealers Business Letter dated December 2, 1960	1881	1296
AS—Letter to Frank Green from J. M. Roche, dated December 15, 1960	1885	1301
AV—Inter-Organization letter to All Car Divisions from J. M. Roche, dated December 28, 1960, with attached letters "To All (Cadillac, Buick, Chevrolet, Oldsmobile and Pontiac) Dealers", dated December 30, 1960	1887	1303
AW—Inter-Organization letter to J. M. Roche from K. E. Staley, dated December 29, 1960	1905	1324
AX—Letter to John S. Gordon from James Fahy and Virgil Dunn, dated February 15, 1961	1906	1325
AY—Inter-Organization letter to Lawrence Averill from A. H. Belfie, dated March 23, 1961, with attached copy of letter to James Fahy and Virgil Dunn, Fleet Sales Company, from A. H. Belfie, dated March 23, 1961	1907	1326
AZ—Stipulation of Facts Number Three, dated May 20, 1964, re Defendants' Exhibits A through J	1911	1329
BA—P-W Exhibit—Summary of Profitability in the Service and Parts Departments in 1960 for the 76 Los Angeles Metropolitan Area Chevrolet Dealers	1917	1333
BB—P-W Exhibit—Estimated Reduction in New Car Volume to Eliminate all Profit for Volume Classes of Los Angeles Metropolitan Area Chevrolet Dealers	1918	1333
BC—P-W Exhibit—Estimated Reduction in New Car Selling Price to Eliminate all Profit for Volume Classes of Los Angeles Metropolitan Area Chevrolet Dealers	1919	1334

Record from the United States District Court for the
Southern District of California, Central Division—
Continued

Defendants' Exhibits—Continued

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BD—P-W Exhibit—Median Gross Profit per New Chevrolet Passenger Car Sold in 1960 by Los Angeles Metropolitan Area Chevrolet Dealers Who Sold Through Discount Houses or Referral Services	1920	1334
BE—P-W Exhibit—Reprint from Collier's—taken from HIRSCH, Introduction to Modern Statistics, p. 45	1921	1335
BF—P-W Exhibit—Graph: 1960 Combined Gross Profit for New and Used Car Departments (Based on 1960 Financial Statements of the 73 Los Angeles Metropolitan Area Chevrolet Dealers)	1922	1337
BG—P-W Exhibit—Graph: 1960 Combined Gross Profit for Service and Parts Departments (Based on 1960 Financial Statements etc.)	1923	1338
BH—P-W Exhibit—Graph: 1960 Net Miscellaneous Income of the Entire Dealership (Based on 1960 Financial Statements etc.)	1924	1339
BI—P-W Exhibit—Graph: 1960 Combined Variable Selling Expenses for the New and Used Car Departments (Based on 1960 Financial Statements etc.)	1925	1340
BJ—P-W Exhibit—Graph: 1960 Combined Semi-fixed Expenses of the New and Used Car Departments (Based on 1960 Financial Statements etc.)	1926	1341
BK—P-W Exhibit—Graph: 1960 Combined Semi-fixed Expenses of the Service and Parts Departments (Based on 1960 Financial Statements etc.)	1927	1342
BL—P-W Exhibit—Graph: 1960 Fixed Expenses of the Dealership (Based on 1960 Financial Statements etc.)	1928	1343
BM—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 300 New Car Volume Class	1929	1345
BN—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 400 New Car Volume Class	1930	1346
BO—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 500 New Car Volume Class	1931	1347

Record from the United States District Court for the
Southern District of California, Central Division—
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Defendants' Exhibits—Continued

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BP—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 600 New Car Volume Class	1932	1348
BQ—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 700 New Car Volume Class	1933	1349
BR—P-W Exhibit—Graph: 1960 New Retail Passenger Car Sales Receipts (Based on 1960 Financial Statements of the 73 Los Angeles Metropolitan Area Chevrolet Dealers).....	1934	1351
BS—P-W Exhibit—Graph: 1960 Sales Commissions on the New Cars (Based on 1960 Financial Statements etc.).....	1935	1352
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BU—Chevrolet Dealers in Los Angeles Metropolitan Area Within 5 Miles of Each of the Discount Houses and Referral Services Shown on Defendants' Exhibit A	1937	1354
BY—Distribution of Franchised Chevrolet Dealers by New Passenger Car and Truck, Volume Groups 1960, Chevrolet Los Angeles Metropolitan Area	1938	1354
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CA—Chart dated March 7, 1962, prepared by Dealer Organization & Analysis Dept. showing National Price Class Performance of Chevrolet and Other Makes for the Years 1922 through 1961	1941	1357
CD—Letter to Owen Keown from K. E. Staley, dated December 16, 1960	1942	1359

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[fol. 1]

[File endorsement omitted]

**IN THE UNITED STATES DISTRICT COURT FOR
THE SOUTHERN DISTRICT OF CALIFORNIA,
CENTRAL DIVISION.**

Civil No. 62-1208-CC

(15 U.S.C. § 1)

Sherman Antitrust Act

UNITED STATES OF AMERICA, Plaintiff,

v.

**GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE, INC.; and FOOTHILL
CHEVROLET DEALERS ASSOCIATION, Defendants.**

COMPLAINT—Filed August 30, 1962

The United States of America, acting under the direction of the Attorney General of the United States, brings this action against the defendants named herein and complains and alleges as follows:

I

Jurisdiction and Venue

1. This complaint is filed and these proceedings are instituted under Section 4 of the Act of Congress of July 2, 1890, c. 647, 26 Stat. 209 (15 U.S.C. § 4), as amended, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," commonly known as the Sherman Act, in order to prevent and restrain continuing violations by the defendants, as hereinafter alleged, of Section 1 of said Act (15 U.S.C. § 1).

[fol. 2] 2. Each of the defendants maintains an office, transacts business and is found within the Southern District of California, Central Division.

II

Definitions

3. As used herein:

(a) "Chevrolet automobiles" means all of the various series and models of new passenger cars, station wagons, and trucks sold by the Chevrolet Motor Division of General Motors Corporation under trade names including "Chevrolet," "Corvair," and "Corvette";

(b) "Chevrolet Dealer" means any person, firm, or corporation engaged in purchasing Chevrolet automobiles from General Motors Corporation for resale to the public pursuant to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors Corporation;

(c) "Southern California area" means the counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial, San Luis Obispo, and Santa Barbara, State of California.

III

Defendants

4. General Motors Corporation (hereinafter General Motors) is hereby made a defendant herein. General Motors is a corporation organized and existing under the laws of the State of Delaware, with principal offices in New York, New York and Detroit, Michigan. General Motors is the largest automobile manufacturer in the United States.

5. Losor Chevrolet Dealers Association (hereinafter Losor), a California corporation, is hereby made a defendant herein. Losor is a trade association whose membership consists of Chevrolet dealers in Orange County and in the southern and western portions of Los Angeles County, State of California.

6. Dealers' Service, Inc. (hereinafter DSI), a California corporation, is hereby made a defendant herein. DSI is a [fol. 3] trade association whose membership consists of Chevrolet dealers in the city of Los Angeles and adjacent

communities in Los Angeles County, State of California.

7. Foothill Chevrolet Dealers Association (hereinafter Foothill), a California corporation, is hereby made a defendant herein. Foothill is a trade association whose membership consists of Chevrolet dealers in the northern and eastern portions of Los Angeles County, and in Riverside and San Bernardino Counties, State of California.

8. Whenever in this Complaint reference is made to any act, deed, or transaction of any corporate defendant, such allegations shall be deemed to mean that the officers, directors, agents, employees, or representatives of said corporate defendant, while engaged in the management, direction, or control of its affairs, authorized, ordered, or did such act, deed, or transaction for and on behalf of said corporate defendant.

IV

Co-Conspirators

9. The officers, directors, and members of Losor, DSI, and Foothill, certain officers and employees of such members, certain officers and employees of General Motors, other Chevrolet dealers in the Southern California area, and others to the plaintiff unknown, have participated as co-conspirators in the combination and conspiracy alleged herein and have done acts and made statements in furtherance thereof.

V

Nature of Trade and Commerce

10. Component parts of Chevrolet automobiles are produced by or for the Chevrolet Motor Division of General Motors in plants located in various States of the United States. These parts are shipped to various assembly plants throughout the United States, including an assembly plant in the Southern California area, at Van Nuys, California, and an assembly plant at Oakland, California. While most [fol. 4] of the Chevrolet automobiles shipped to Chevrolet dealers in the Southern California area are assembled in the aforesaid plants in California, a substantial number of Chevrolet automobiles are shipped to such dealers from assembly plants located outside of California. All such shipments of Chevrolet automobiles are made pursuant to

orders placed by such dealers (a) after they have received and accepted orders from customers or (b) in anticipation of orders to be received and sales to be made.

11. Thus, Chevrolet automobiles assembled at plants located outside of California move in interstate commerce from such plants through Chevrolet dealers in the Southern California area to their purchasers, and component parts and accessories produced in plants outside of California move in interstate commerce from such plants through the assembly plants at Van Nuys and Oakland to Chevrolet dealers in the Southern California area and thence to their purchasers.

12. During the calendar year 1960, Chevrolet dealers in the Southern California area sold Chevrolet automobiles having a retail value of about \$250,000,000.

13. For many years Chevrolet dealers in the Southern California area customarily performed all of the functions incident to the retail merchandising of Chevrolet automobiles. However, beginning in or about 1953 and continuing to early 1961, certain Chevrolet dealers in the Southern California area, including members of Losor, DSI, and Foothill, entered into agreements or understandings with certain persons, firms, and corporations, some commonly known as discount houses and others as referral services, pursuant to which such discount houses and referral services, acting as independent businessmen, performed many of the merchandising functions theretofore performed by such Chevrolet dealers.

14. In accordance with such agreements or understandings said discount houses and referral services performed one or more of the following merchandising functions:

[fol. 5] (a) referred potential customers to Chevrolet dealers who had agreed in advance to quote such customers prices based on specified markups over the invoice costs of such dealers;

(b) negotiated with prospective purchasers the terms and conditions of sale of Chevrolet automobiles;

(c) appraised the trade-in value of and in some instances purchased the used automobiles of purchasers of Chevrolet automobiles;

(d) prepared purchase orders for and made deliveries of Chevrolet automobiles to purchasers;

(e) secured financing for purchasers of Chevrolet automobiles, in many instances at interest rates below those offered by Chevrolet dealers in the Southern California area.

15. During the aforesaid period, about 1953 to early 1961, the number of discount houses and referral services in the Southern California area increased rapidly. Correspondingly, the number of Chevrolet automobiles sold by Chevrolet dealers in said area pursuant to agreements or understandings with discount houses and referral services increased substantially. While in 1953 only a few hundred Chevrolet automobiles were sold in the Southern California area pursuant to agreements or understandings between Chevrolet dealers and discount houses and referral services, in 1960 the number had increased to over 2,000, having a retail value of approximately \$5,000,000. This increase in sales of Chevrolet automobiles threatened to lower retail prices of Chevrolet automobiles in the Southern California area.

VI

The Combination and Conspiracy

16. Beginning in or about the summer of 1960, and continuing to the date of the filing of this Complaint, the defendants and co-conspirators have engaged in an unlawful combination and conspiracy to suppress and eliminate [fol. 6] competition in the sale and distribution of Chevrolet automobiles in the Southern California area, in unreasonable restraint of the hereinbefore described trade and commerce in Chevrolet automobiles in violation of Section 1 of the Act of Congress of July 2, 1890 (15 U.S.C. § 1, commonly known as the Sherman Act).

17. The aforesaid combination and conspiracy has consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators, the substantial terms of which have been:

(a) To suppress and restrain sales of Chevrolet automobiles by Chevrolet dealers pursuant to agreements or understandings with discount houses and referral services;

(b) To induce and persuade Chevrolet dealers to

refrain from selling Chevrolet automobiles pursuant to agreements or understandings with discount houses and referral services;

(c) To utilize "shoppers" for the purpose of identifying Chevrolet dealers selling Chevrolet automobiles pursuant to agreements or understandings with discount houses or referral services;

(d) To induce and persuade Chevrolet dealers to repurchase Chevrolet automobiles purchased by "shoppers" from such dealers.

18. During the period of time covered by this Complaint and for the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants and co-conspirators have done those things which, as hereinbefore alleged, they combined and conspired to do.

VII

Effects of the Combination and Conspiracy

19. The aforesaid combination and conspiracy has had, among other things, the following effects:

(a) The right of Chevrolet dealers in the Southern [fol. 7] California area to sell Chevrolet automobiles pursuant to agreements or understandings with discount houses and referral services has been restricted and eliminated;

(b) Competition in the sale and distribution of Chevrolet automobiles among Chevrolet dealers in the Southern California area has been suppressed;

(c) Purchasers of Chevrolet automobiles in the Southern California area have been deprived of the benefit of purchasing Chevrolet automobiles in a free and unrestricted competitive market;

(d) The right of discount houses and referral services to participate in the sale and distribution of Chevrolet automobiles in the Southern California area has been restricted and eliminated.

VIII

Prayer

Wherefore, plaintiff prays:

1. That the Court adjudge and decree that the defendants, and each of them, have engaged in a combination and conspiracy in unreasonable restraint of the aforesaid trade and commerce in Chevrolet automobiles, as hereinbefore alleged, in violation of Section 1 of the Sherman Act.
2. That each of the defendants, its successors, assignees and transferees, and the respective officers, directors, agents, and employees thereof, and all persons acting or claiming to act on behalf thereof, be perpetually enjoined and restrained from continuing to carry out, directly or indirectly, the combination and conspiracy hereinbefore alleged, or from engaging in any other combination or conspiracy having a similar purpose or effect, or from adopting or following any practice, plan, program, or device having a similar purpose or effect.
3. That General Motors, its successors, assignees, and transferees, and its officers, directors, agents and employees, and all persons acting on its behalf, be perpetually enjoined from imposing or attempting to impose any limitation or restriction on the persons or classes of persons, including but not limited to discount houses and referral services, with whom any dealer of General Motors automobiles or trucks may deal.
4. That General Motors, its successors, assignees, and transferees and its officers, director, agents and employees and all persons acting on its behalf be perpetually enjoined from inducing or persuading or attempting to induce or persuade any dealer of General Motors automobiles or trucks to refrain from dealing with discount houses or referral services, or with any other person or class of persons.
5. That General Motors, its successors, assignees, and transferees, and its officers, directors, agents and employees, and all persons acting on its behalf, be perpetually enjoined from controlling or attempting to control the

prices at which any dealer of General Motors automobiles or trucks may resell such automobiles or trucks.

6. That General Motors, its successors, assignees, and transferees, and its officers, directors, agents and employees, and all persons acting on its behalf, be perpetually enjoined from exercising or attempting to exercise any restraint on the resale of General Motors automobiles or trucks by any dealer.

7. That the plaintiff have such other, further, and different relief as to the Court may seem just and proper in the premises.

8. That the plaintiff recover the costs of this suit.

Dated: August 30, 1962.

/s/ Maxwell M. Blecher, Attorney, Department of Justice.

/s/ Robert F. Kennedy, Attorney General. /s/ Lee Loevinger, Assistant Attorney General. /s/ Paul A. Owens, /s/ Charles L. Whittinghill, Attorneys, Department of Justice. /s/ Francis C. Whelan, United States Attorney.

[fol. 9] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

[Title omitted]

Civil No. 62-1208-CC

ANSWER OF DEFENDANT GENERAL MOTORS CORPORATION—
Filed April 30, 1963

Defendant General Motors Corporation for answer to
plaintiff's complaint admits, denies and alleges:

First Defense

1. Denies each and every allegation of paragraph 1 of the complaint except admits that plaintiff invokes the [fol. 10] jurisdiction of this court on the basis of the statutory provisions referred to therein.
2. Admits the allegations of paragraph 2 of plaintiff's complaint.
3. Denies each and every allegation of paragraph 3 of plaintiff's complaint except admits that plaintiff has used the terms "Chevrolet automobiles," "Chevrolet Dealer" and "Southern California area," as defined in said paragraph.
4. Admits the allegations of paragraph 4 of plaintiff's complaint.
5. Admits the allegations of paragraphs 5, 6 and 7 of plaintiff's complaint except alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegations that Losor Chevrolet Dealers Association, Dealers' Service, Inc. and Foothill Chevrolet Dealers Association are "trade associations."
6. Denies each and every allegation of paragraph 8 of plaintiff's complaint except admits that in plaintiff's complaint references are made to acts, deeds or transactions of corporate defendants in the manner described in said paragraph.
7. Denies each and every allegation of paragraph 9 of plaintiff's complaint.

8. Answering paragraph 10 of plaintiff's complaint [fol. 11] admits and alleges as follows: Component parts of Chevrolet automobiles are produced by or for the Chevrolet Motor Division of General Motors Corporation in plants located in various states of the United States, including California. These parts are shipped to various assembly plants operated at various locations in the United States including Van Nuys and Oakland, California. While most of the Chevrolet automobiles shipped to Chevrolet dealers in the Southern California area, as defined in plaintiff's complaint, are assembled at said Van Nuys and Oakland California assembly plants, some Chevrolet automobiles are shipped to such dealers from assembly plants located outside of California. Substantially all shipments of Chevrolet automobiles are made pursuant to orders placed by such dealers (a) after they have received and accepted orders from customers or (b) in anticipation of orders to be received and sales to be made.

Except as so expressly admitted and alleged, denies each and every allegation of paragraph 10 of plaintiff's complaint.

9. Denies each and every allegation of paragraph 11 of plaintiff's complaint.

10. Alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 12 of plaintiff's complaint.

11. Alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegations [fol. 12] of paragraph 13 of plaintiff's complaint except admits that for many years Chevrolet dealers in the Southern California area, as defined in plaintiff's complaint, customarily performed all of the functions incident to the retail merchandising of Chevrolet automobiles and that in 1960 and continuing to early 1961 some Chevrolet dealers located in said area entered into agreements or understandings with discount houses and referral services pursuant to which such discount houses and referral services performed some merchandising functions in the sale of some of the Chevrolets owned by such dealers.

12. Answering the allegations of paragraph 14 of plaintiff's complaint admits that in accordance with the agreements or understandings admitted in paragraph 11 hereof some discount houses and referral services performed in

the sale of some of the Chevrolets owned by dealers who were parties to such agreements or understandings, one or more of the merchandising functions described in subparagraphs (a), (b), (c) and (d) of paragraph 14 of plaintiff's complaint. Alleges that in some instances said agreements or understandings made or had by discount houses or referral services with one or more Chevrolet dealers (as well as similar agreements or understandings made or had by said discount houses with dealers in other makes of new automobiles) fixed or controlled the price at which said dealer or dealers could sell his or their new automobiles to customers procured by said discount houses or referral services and thereby said agreements or understandings restricted the individual dealer's freedom to price his new automobiles sold pursuant to said agreements or understandings; that in such instances said [fol. 13] agreements or understandings restricted price competition among competing dealers. Alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegations of subparagraph (e) of paragraph 14 of plaintiff's complaint. Except as admitted or alleged in this paragraph, denies each and every allegation of paragraph 14 of plaintiff's complaint.

13. Alleges that it is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 15 of plaintiff's complaint.

14. Denies each and every allegation of paragraph 16 of plaintiff's complaint.

15. Denies each and every allegation of paragraph 17 of plaintiff's complaint.

16. Denies each and every allegation of paragraph 18 of plaintiff's complaint.

17. Denies each and every allegation of paragraph 19 of plaintiff's complaint.

Second Defense

18. During the period of the offense charged in the complaint, the Chevrolet Motor Division of General Motors Corporation caused Chevrolets to be marketed in the Southern California area, as defined in plaintiff's complaint, by dealers under a plan of marketing evidenced by and embodied in written Dealer Selling Agreements between the Chevrolet Motor Division and each of its

dealers in such area. These Dealer Selling Agreements are identical in form.

19. Each Dealer Selling Agreement assigns to the dealer an area of primary sales responsibility but leaves the dealer free to sell Chevrolets at any price to anyone wherever he may live, work, or have a place of business; each requires the dealer to establish a place of business at a location or locations approved by the Chevrolet Motor Division; and each requires the dealer to refrain from establishing another place of business or branch sales office at any other location without the approval of the Chevrolet Motor Division. In the Los Angeles Metropolitan Area each dealer's area of primary responsibility is the entire Metropolitan Area and the Metropolitan Area Addendum to the Dealer Selling Agreement, applicable to each Chevrolet dealer in the Los Angeles Metropolitan Area, provides in writing that the Chevrolet Motor Division will not increase the number of dealers or change the location of any dealer's place of business without 60 days notice to each dealer in the Metropolitan Area and an opportunity to be heard.

20. Since the Dealer Selling Agreements require the dealers to refrain from establishing additional places of business or branch sales offices without approval of the Chevrolet Motor Division, the Dealer Selling Agreements prohibit dealers from establishing, without approval of the Chevrolet Motor Division, the equivalent of additional places of business or branch sales offices and from accomplishing by indirection or subterfuge the establishment of additional places of business or branch sales offices. For a dealer to arrange with a discount or referral house operating a place of business at a location not approved by the Chevrolet Motor Division to have such discount or referral house perform merchandising functions in the sale of such dealer's Chevrolets, including engaging in the business or referring customers to such dealers, negotiating terms and conditions of sales of such dealers' Chevrolets to consumers and appraising and purchasing trade-in cars on such sales is a way whereby the dealer provided for himself what was in substance and effect an additional and unauthorized place of business or branch office without approval of the Chevrolet Motor Division.

21. Having regard to substance rather than to form, the

Dealer Selling Agreements require Chevrolet dealers to refrain from having or performing agreements or understandings with discount or referral houses having places of business at locations not approved by the Chevrolet Motor Division whereby such houses engage in the business of referring customers to such dealers with such dealers negotiating the terms of sale with the customer, or whereby such houses negotiate the terms of sale of the Chevrolet with the customer and whereby such dealers, upon instructions from such houses, register title to the Chevrolet in the name of the customer. Under either such form of transaction, and under any combination thereof, the agreement or understanding is one in which the dealer uses discount or referral houses operating places of business at locations other than the dealer's approved location, to perform merchandising services for him in the sale of his Chevrolets. Such agreements and understandings with discount or referral houses and their performance violate the Dealer Selling Agreements.

22. Each Dealer Selling Agreement also provides that it is made in reliance upon the personal qualifications and business ability of the persons who own and operate the organization designated as the "Dealer"; that the "Dealer" shall perform the operating requirements of the agreement including the sale of Chevrolets, pursuant to the selling privilege granted to the "Dealer," in a manner which will preserve the good will of Chevrolet products; and that the "Dealer" shall not, without consent of the Chevrolet Motor Division, transfer to others the "Dealer's" obligation to perform the operating requirements of the agreement including the requirement to sell the Chevrolet products in accordance with the selling privilege granted to the "dealer."

23. Since the Dealer Selling Agreements obligate the "Dealers" not to transfer to others, without consent of the Chevrolet Motor Division, the "Dealer's" obligation to perform the operating requirements of the agreements including the requirement to sell Chevrolet products in accordance with the selling privilege granted to the "dealer," the Dealer Selling Agreements prohibit dealers from arranging with a discount or referral house, without consent of the Chevrolet Motor Division, to have such discount or referral house perform merchandising functions in the sale of such

dealer's Chevrolets including engaging in the business of referring customers to such dealers, negotiating terms and [fol. 17] conditions of sales of such dealers' Chevrolets to consumers and appraising and purchasing trade-in cars on such sales.

24. The Dealer Selling Agreements require Chevrolet dealers to refrain from having or performing agreements or understandings with discount or referral houses whereby such houses engage in the business of referring customers to such dealers with such dealers negotiating the terms of sale with the customer, or whereby such houses negotiate the terms of sale of the Chevrolet with the customer and whereby such dealers, upon instructions from such houses, register title to the Chevrolet in the name of the customer. Under either such form of transaction, and under any combination thereof, the agreement or understanding is one in which the dealer transfers to discount or referral houses the dealer's obligation to perform the operating requirements of the Dealer Selling Agreement, including the requirement to sell Chevrolet products in accordance with the selling privilege granted to the "Dealer." Such agreements and understandings with discount or referral houses and their performance violate the said non-transfer provisions of the Dealer Selling Agreements.

25. The provisions of the Dealer Selling Agreements described in paragraphs 19 to 24, inclusive, of this Answer were developed and adopted as a part of a marketing plan which, recognizing the special nature of the product, was designed to and does preserve the good will of Chevrolet, provide adequate sales, automotive service and spare parts facilities, and promote competition by Chevrolet dealers [fol. 18] with dealers in other makes of automobiles and by Chevrolet dealers among each other.

26. Under the Dealer Selling Agreements a dealer has the right to sell Chevrolets at any price to anyone wherever he may work, live or have a place of business. Under such agreements, a Chevrolet dealer is not guaranteed or granted any markets, territories or customers, nor is he denied or excluded from any markets, territories or customers; there is neither territory security, territory exclusivity nor customer exclusivity. Each dealer is free to compete both with other Chevrolet dealers and with dealers in other makes of automobiles.

27. The provisions of the Dealer Selling Agreements described in paragraphs 19 to 24, inclusive, of this Answer are valid, do not constitute an unreasonable restraint of competition, and do not violate Section 1 of the Sherman Act.

28. The provisions of the Dealer Selling Agreements described in paragraphs 19 to 24, inclusive, of this Answer being valid:

(a) Defendant General Motors Corporation had the right to endeavor to preserve and protect the Chevrolet plan of marketing and to endeavor to induce and persuade Chevrolet dealers to cease conduct which was violative of the Dealer Selling Agreements and in particular to cease making and performing arrangements with discount or referral houses whereby such houses, in places of business at locations not approved by the [fol. 19] Chevrolet Motor Division, performed merchandising functions in the sale of such dealers' Chevrolets including engaging in the business of referring customers to such dealers; negotiating terms and conditions of sales of such dealers' Chevrolets to consumers and appraising and purchasing trade-in cars on such sales.

(b) Defendant General Motors Corporation was not precluded from exercising the rights described in sub-paragraph 28(a) hereof by the fact that Chevrolet dealers and salesmen, whether acting individually or on behalf of the defendant dealer associations, requested that said defendants act to comply with the intent and purpose of the Dealer Selling Agreements and thus to preserve and protect the Chevrolet plan of marketing.

(c) Defendant General Motors Corporation had the right by shopping or by accepting shopping information from dealers and defendant dealers associations, to ascertain which dealers were selling Chevrolets in violation of the Dealer Selling Agreements and to request that such dealers undo their violations by repurchasing shopped Chevrolets sold in violation of said agreements.

(d) Defendant General Motors Corporation did not engage in any combination or conspiracy in [fol. 20] un-

reasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act.

Wherefore, defendant General Motors Corporation prays that plaintiff take nothing by its action and that judgment herein be entered in favor of said defendant.

Dated: April 30, 1933.

O'Melveny & Myers, Homer I. Mitchell, Lawler,
Felix & Hall, Marcus Mattson, J. Phillip Nevins.
By /s/ Homer I. Mitchell, Attorneys for De-
fendant, General Motors Corporation.

Of Counsel: Aloysius F. Power, Robert A. Nitschke,
Nicholas J. Rosiello, 3044 West Grand Blvd., Detroit 2,
Michigan.

[fol. 21] Acknowledgment of service omitted in printing.

[fol. 22] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

[Title omitted]

ANSWER OF DEFENDANTS LOSOR CHEVROLET DEALERS ASSOCIATION, DEALERS' SERVICE, INC., and FOOTHILL CHEVROLET DEALERS ASSOCIATION—Filed April 30, 1963

Come now defendants Losor Chevrolet Dealers Association (hereinafter "Losor"), Dealers' Service, Inc. (hereinafter "Dealers' Service") and Foothill Chevrolet Dealers Association (hereinafter "Foothill"), and for answer to the complaint on file herein, each admits, denies, and alleges as follows:

Losor, Dealers' Service and Foothill each alleges it is without knowledge or information sufficient to form a belief as to the truth of the allegations hereinafter denied "for want of information or belief" and denies each and all of said allegations and places its denials thereof on that ground.

[fol. 23] First Defense

1. Losor, Dealers' Service and Foothill each admits that plaintiff seeks to invoke the jurisdiction of this court on the basis of the statutory provisions referred to in Paragraph 1 of the complaint. Except as hereinabove expressly admitted, Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 1 of the complaint.

2. Losor, Dealers' Service and Foothill each admits the allegations of Paragraph 2 of the complaint.

3. (a) Losor, Dealers' Service and Foothill each admits that plaintiff has used the term "Chevrolet automobiles" in the complaint in accordance with the definition adopted by plaintiff in Paragraph 3(a) of the complaint. Except as hereinabove expressly admitted, Losor, Dealers' Serv-

ice and Foothill each denies each and every allegation of Paragraph 3(a) of the complaint.

(b) Losor, Dealers' Service and Foothill each admits that plaintiff has used the term "Chevrolet Dealer" in the complaint in accordance with the definition adopted by plaintiff in Paragraph 3(b) of the complaint. Except as hereinabove expressly admitted, Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 3(b) of the complaint.

(c) Losor, Dealers' Service and Foothill each admits that plaintiff has used the term "Southern California area" in the complaint in accordance with the definition adopted by plaintiff in Paragraph 3(c) of the complaint. Except [fol. 24] as hereinabove expressly admitted, Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 3(c) of the complaint.

4. Losor, Dealers' Service and Foothill each admits that defendant General Motors Corporation (hereinafter "General Motors") is a corporation. Except as hereinabove expressly admitted, Losor, Dealers' Service and Foothill each denies for want of information or belief each and every allegation of Paragraph 4 of the complaint.

5. Losor, Dealers' Service and Foothill each admits and alleges that Losor is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California, and that the membership of Losor is composed of persons, firms and corporations currently party to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors and with authorized dealer-premises located in Orange County or Los Angeles County, State of California. Except as hereinabove expressly admitted, or alleged, Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 5 of the complaint.

6. Losor, Dealers' Service and Foothill each admits and alleges that Dealers' Service is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California, and, that the membership of Dealers' Service is composed of persons, firms, and corporations currently party to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors and with authorized dealer-premises located in the County of Los Angeles, State of California. Except as hereinabove ex-

pressly admitted or alleged, Losor, Dealer's Service and [fol. 25] Foothill each denies each and every allegation of Paragraph 6 of the complaint.

7. Losor, Dealers' Service and Foothill each admits and alleges that Foothill is a non-profit corporation organized and existing under and by virtue of the laws of the State of California, and that the membership of Foothill is composed of persons, firms, and corporations currently party to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors and with authorized dealer-premises located in the Counties of Los Angeles, Riverside, or San Bernardino, State of California. Except as hereinabove expressly admitted, or alleged, Losor, Dealer's Service and Foothill each denies each and every allegation of Paragraph 7 of the complaint.

8. Losor, Dealers' Service and Foothill each denies for want of information or belief each and every allegation of Paragraph 8 of the complaint.

9. Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 9 of the complaint.

10. Losor, Dealers' Service and Foothill each admits and alleges that component parts of Chevrolet automobiles are produced by or for the Chevrolet Motor Division of General Motors in plants located in various States of the United States; and, admits and alleges that these parts are shipped to various assembly plants operated at various locations in the United States including Van Nuys and Oakland, California; and, admits and alleges that some Chevrolet automobiles shipped to Chevrolet dealers in [fol. 26] southern California are assembled in assembly plants located in Van Nuys and Oakland, California, and that some Chevrolet automobiles are shipped to such Dealers from assembly plants located outside of California. Except as hereinabove expressly admitted or alleged, Losor Dealers' Service and Foothill each denies for want of information or belief each and every allegation of Paragraph 10 of the complaint.

11. Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 11 of the complaint.

12. Losor, Dealers' Service and Foothill each denies for want of information or belief each and every allegation of Paragraph 12 of the complaint.

13. Losor, Dealers' Service and Foothill each denies

for want of information or belief each and every allegation of Paragraph 13 of the complaint, except admits that in 1960 and continuing to early 1961, some Chevrolet dealers in southern California entered into agreements or understandings with discount houses and referral services, pursuant to which such discount houses and referral services performed some merchandising functions in the sale of some of the Chevrolets owned by such dealers.

14. Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 14 of the complaint, except admits that in accordance with the agreements or understandings admitted in Paragraph 13 hereof, some discount houses and referral services performed, in the sale of some of the Chevrolets owned by dealers who were parties to such agreements or understandings, one or [fol. 27] more of the merchandising functions described in sub-paragraphs (a), (b), (c) and (d) of paragraph 14 of plaintiff's complaint; and, except denies for want of information or belief the allegations of sub-paragraph (e) of paragraph 14 of plaintiff's complaint.

15. Losor, Dealers' Service and Foothill each denies for want of information or belief each and every allegation of Paragraph 15 of the complaint.

16. Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 16 of the complaint.

17. Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 17 of the complaint.

18. Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 18 of the complaint.

19. Losor, Dealers' Service and Foothill each denies each and every allegation of Paragraph 19 of the complaint.

Second Defense

20. During the period of the offense charged in the complaint, the Chevrolet Motor Division of General Motors (hereinafter "Chevrolet Motor Division") caused Chevrolets to be marketed in southern California by dealers under a plan of marketing evidenced by and embodied in written Dealer Selling Agreements, identical in form, entered into by the Chevrolet Motor Division with each of its dealers in such area. Each such dealer entered into its Dealer [fol. 28] Selling Agreement with the Chevrolet Motor

Division with knowledge of and because of the Chevrolet Marketing Plan, the reputation of the Chevrolet Motor Division, and the customer acceptance for Chevrolet products.

21. Each Dealer Selling Agreement assigns to the dealer an area of primary sales responsibility but leaves the dealer free to sell Chevrolets at any price to anyone wherever he may live, work or have a place of business, each requires the dealer to establish a place of business at a location or locations approved by the Chevrolet Motor Division; and each requires the dealer to refrain from establishing another place of business or branch sales office at any other location without the approval of the Chevrolet Motor Division. In the Los Angeles Metropolitan Area each dealer's area of primary responsibility is the entire Metropolitan Area and the Metropolitan Area Addendum to the Dealer Selling Agreement, applicable to each Chevrolet dealer in the Los Angeles Metropolitan Area, provides in writing that the Chevrolet Motor Division will not increase the number of dealers or change the location of any dealer's place of business without 60 days notice to each dealer in the Metropolitan Area and an opportunity to be heard.

22. Since the provisions of the Dealer Selling Agreements require the dealers to refrain from the establishment of additional places of business or branch sales offices without approval of the Chevrolet Motor Division, these agreements prohibit dealers from establishing, without approval of the Chevrolet Motor Division, the equivalent of additional places of business or branch sales offices and from accomplishing by indirection or subterfuge the establishment of additional places of business or branch sales offices. For a dealer to arrange with a discount or [fol. 29] referral house operating a place of business at a location not approved by the Chevrolet Motor Division to have such discount or referral house perform merchandising functions in the sale of such dealer's Chevrolets including engaging in the business of referring customers to such dealer, negotiating terms and conditions of sales of such dealer's Chevrolets to consumers and appraising and purchasing trade-in cars on such sales is a way whereby the dealer provided for himself what was in substance and effect an additional and unauthorized place of business or

branch sales office without approval of the Chevrolet Motor Division.

23. Having regard to substance rather than to form, the Dealer Selling Agreements require Chevrolet dealers to refrain from having or performing agreements or understandings with discount or referral houses having places of business at locations not approved by the Chevrolet Motor Division whereby such houses engage in the business of referring customers to such dealers with such dealers negotiating the terms of sale with the customer, or whereby such houses negotiate the terms of sale of the Chevrolet with the customer and whereby such dealers, upon instructions from such houses, register title to the Chevrolet in the name of the customer. Under either such form of transaction, and under any combination thereof, the agreement or understanding is one in which the dealer uses discount or referral houses operating places of business at locations other than the dealer's approved location, to perform merchandising services for such dealer in the sale of his Chevrolets. Such agreements and understandings with discount or referral houses and their performance violate the said Dealer Selling Agreements.

[fol. 30] 24. Each Dealer Selling Agreement also provides that it is made in reliance upon the personal qualifications and business ability of the persons who own and operate the organization designated as the "Dealer"; that the "Dealer" shall perform the operating requirements of the agreement including the sale of Chevrolets, pursuant to the selling privilege granted to the "Dealer", in a manner which will preserve the good will of Chevrolet products; and that the "Dealer" shall not, without consent of the Chevrolet Motor Division, transfer to others the "Dealer's" obligation to perform the operating requirements of the agreement including the requirement to sell the Chevrolet products in accordance with the selling privilege granted to the "Dealer".

25. Since the Dealer Selling Agreements obligate the "Dealer" not to transfer to others the "Dealer's" obligation to perform the operating requirements of the agreements including the requirement to sell Chevrolet products in accordance with the selling privilege granted to the "Dealer" without the consent of the Chevrolet Motor Division, the Dealer Selling Agreements prohibit dealers

from arranging with a discount or referral house, without consent of the Chevrolet Motor Division, to have such discount or referral house perform merchandising functions in the sale of such dealers' Chevrolets including engaging in the business of referring customers to such dealers, negotiating terms and conditions of sales of such dealers' Chevrolets to consumers and appraising and purchasing trade-in cars on such sales.

26. The non-transfer provisions of the Dealer Selling Agreements referred to in paragraphs 24 and 25 hereof require Chevrolet dealers to refrain from having or performing agreements or understandings with discount or referral houses whereby such houses engage in the business of referring customers to such dealers with such dealers negotiating the terms of sale with the customer, or whereby such houses negotiate the terms of sale of the Chevrolet with the customer and whereby such dealers, upon instructions from such houses, register title to the Chevrolet in the name of the customer. Under either such form of transaction, and under any combination thereof, the agreement or understanding is one in which the dealer transfers to discount or referral houses the dealer's obligation to perform the operating requirements of the Dealer Selling Agreement, including the requirement to sell Chevrolet products in accordance with the selling privilege granted to the "Dealer". Such agreements and understandings with discount or referral houses and their performance violate the said non-transfer provisions of the Dealer Selling Agreements.

27. The location limitation provisions of the Dealer Selling Agreements and the requirement of said agreements that the Dealer's sales of Chevrolets be made by the Dealer and not by someone else, were developed and adopted as a part of a marketing plan which, recognizing the special nature of the product, was designed to and does preserve the good will of Chevrolet, provide adequate sales, automotive service and spare parts facilities, and promote competition by Chevrolet dealers with dealers in other makes of automobiles and by Chevrolet dealers among each other.

28. The Chevrolet marketing plan is based upon the principle that there should be a carefully balanced number of dealer outlets situated at carefully selected loca-

tions and that each Dealer will have a reasonable profit opportunity in return for his investment. The location limitation provisions of the Dealer Selling Agreements [fol. 32] implement this principle. Thus, said Dealer Selling Agreements are, in southern California, necessarily and properly interrelated one to the other, particularly in respect of the location limitations hereinabove described. Failure of the dealers to abide by said location limitation provisions would disrupt and defeat said marketing plan, and would diminish competition by Chevrolet dealers with dealers in other makes of automobiles and by Chevrolet dealers among each other.

29. The requirement of said Dealer Selling Agreements that the Dealer's sales of Chevrolets be made by the Dealer and not someone else, was designed to and does assure that responsibility for sales and service of Chevrolets will be in the hands of properly trained and adequately financed persons so that a high level of good will can be established and maintained. Failure of the dealers to abide by said provisions would disrupt and defeat said marketing plan, and would diminish competition by Chevrolet dealers with dealers in other makes of automobiles and by Chevrolet dealers among each other.

30. Under the Dealer Selling Agreements a Chevrolet dealer has the right to sell Chevrolets at any price to anyone wherever he may work, live or have a place of business. Each Chevrolet dealer under his Dealer Selling Agreement has a location advantage agreed upon between said dealer and the Chevrolet Motor Division, which gives said dealer a right that other Chevrolet dealers will not establish outlets and locations other than at a location agreed to by Chevrolet Motor Division under the Chevrolet Marketing Plan. Under such agreements, a Chevrolet dealer is not guaranteed or granted any markets, territories, or customers, nor is he denied or excluded from any markets, [fol. 33] territories or customers; there is neither territory security, territory exclusivity nor customer exclusivity. Each dealer is free to compete both with other Chevrolet dealers and with dealers in other makes of automobiles.

31. The purpose and effect of the location limitation provisions and of the requirement that the Dealer's sales of Chevrolets be made by the Dealer and not by someone else are to make the Chevrolet Motor Division and each of

its dealers strong competitors against dealers of other makes of automobiles; and, at the same time, to preserve the freedom of all Chevrolet dealers to compete among themselves.

32. The location limitation provisions and the requirement that the Dealer's sales of Chevrolets be made by the Dealer and not by someone else are valid, do not constitute an unreasonable restraint of competition and do not violate Section 1 of the Sherman Act.

33. The above-mentioned location limitation provisions and the requirement that the Dealer's sales of Chevrolets be made by the Dealer and not by someone else (the "non-transfer" provisions) being valid:

(a) Each Chevrolet dealer in southern California has a lawful interest in the adherence to the location limitations of his agreement with the Chevrolet Motor Division, by every other Chevrolet dealer;

(b) Each Chevrolet dealer in southern California has a lawful interest in the adherence to the "non-transfer" provisions of his agreement with the Chevrolet Motor Division, by every other Chevrolet dealer;

[fol. 34] (c) Losor, Dealers' Service and Foothill each have a lawful interest in the adherence by each Chevrolet dealer in southern California to the location limitations of the Dealer Selling Agreements and of the Chevrolet Marketing Plan;

(d) Losor, Dealer's Service and Foothill each have a lawful interest in the adherence by each Chevrolet dealer in southern California to the "non-transfer" provisions of the Dealer Selling Agreements and of the Chevrolet Marketing Plan;

(e) Losor, Dealers' Service and Foothill each has a lawful right to act in behalf of its own interest as well as on behalf of its member Chevrolet dealers' interest:

- (1) to request that the Chevrolet Motor Division take steps to cause Chevrolet dealers to cease conduct which was violative of the Dealer Selling Agreements, and the Chevrolet Marketing Plan; and,
- (2) to ascertain which Chevrolet dealers were en-

gaging in such conduct and to advise the Chevrolet Motor Division of the facts ascertained.

(f) Losor, Dealers' Service and Foothill individually or as a group, did not engage in any combination or conspiracy in unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act.

34. Losor, Dealers' Service and Foothill each engaged in activities concerned with the passage of legislation and [fol. 35] enforcement of the California Motor Vehicle Dealer and Salesman Licensing Laws (Cal. Veh. Code Sec. 11,700 et seq.; 11,800 et seq.), during the period of the offense charged in the complaint. To the extent that any act, deed or transaction charged in the complaint was so directed, such conduct does not violate Section 1 of the Sherman Act.

Wherefore, defendants Losor, Dealers' Service and Foothill each prays:

1. That the Court adjudge and decree that defendants Losor, Dealers' Service and Foothill and each of them have not engaged in a combination and conspiracy in violation of Section 1 of the Sherman Act;
2. That the complaint herein be dismissed; and,
3. That defendants Losor, Dealers' Service and Foothill and each of them have such other and further relief as to the Court may seem just and proper.

Dated: April 30, 1963

Hansen & Dolle and Victor R. Hansen and Glenn S. Roberts. By: /s/ Victor R. Hansen, Attorneys for defendants, Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Chevrolet Dealers Association.

Acknowledgement of service omitted in printing.

[fol. 35a] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

HONORABLE CHARLES H. CARR, Judge Presiding

No. 62-1208-CC Civil

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, ET AL., Defendants.

**Reporter's Transcript of Proceedings on Motion of Plaintiff
for Pretrial Conference—September 23, 1963**

[fol. 35b] APPEARANCES:

For the Plaintiff: Robert C. Weinbaum, Maxwell M. Blecher, Antitrust Division, Department of Justice, 1602 U.S. Post Office and Court House, Los Angeles 12, California.

For Defendant General Motors: O'Melveny & Myers. By: Homer I. Mitchell, 433 South Spring Street, Los Angeles 13, California; and Lawler, Felix & Hall. By: Phillip Nevins, 603 West Olympic Boulevard, Los Angeles 15, California; and Nicholas J. Rosiello.

For Defendants Losor, Foothill and Dealers' Service, Inc.: Glenn S. Roberts, 458 South Spring Street, Los Angeles 13, California; and Hansen & Dolle. By: Victor R. Hansen, 453 South Spring Street, Los Angeles 13, California.

[fol. 35c] Los Angeles, California, Monday, September 23,
1963, 2:00 P.M.

The Clerk: Item No. 7 on the calendar, 62-1208-CC Civil, United States v. General Motors Corporation, hearing motion of plaintiff for pretrial conference.

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[fol. 35d] COLLOQUY BETWEEN COURT AND COUNSEL

The Court: Before you go on, maybe you ought to educate me just a little bit, counsel. I have read the pleadings. Do I understand that this is a charge—you are asking really for a restraint of certain things that are being done by General Motors and their dealers, is that right? You are asking to restrain them?

Mr. Blecher: Yes, we are, your Honor.

The Court: And the thing that you are claiming is that by arrangement of some sort General Motors is endeavoring to, supposedly to prevent their dealers from dealing with cut price places and so on, is that correct, is that the story?

Mr. Blecher: Not precisely, your Honor. It is close. We charge that General Motors is engaged in a conspiracy with the three associations, which are composed of substantially all the Chevrolet dealers in this area, and with certain of those dealers, the crux of which has been that the dealers will no longer deal with discount houses or referral services.

Now, your characterization of these folks as cut price—

The Court: Well, it is one and the same thing, isn't it?

Mr. Blecher: Not necessarily. We are not really concerned in this litigation with whether or not—

The Court: It reduces the price then by volume?

[fol. 35f] Mr. Blecher: Pardon me?

The Court: It is reducing the price by volume, that is what it amounts to.

Mr. Blecher: That more or less epitomizes our view, yes, your Honor. Not that they sold for less, but that there was an affectation of the price structure as a result of this form of competition.

We don't care whether or not the discount houses sold for more or less than the Chevrolet dealers. Unfortunately, we got involved in the prior litigation and had a big to-do about that point which is not really a part of our case and which we propose to eliminate, insofar as we can, from this case.

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[fol. 36]

[File endorsement omitted]

[fol. 37] APPENDIX A TO REPORTER'S TRANSCRIPT
OF PROCEEDINGS—Filed June 1, 1964

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

[Title omitted]

STIPULATION OF FACTS NUMBER SIX

Plaintiff and each of the defendants, through their respective counsel, hereby stipulate as follows:

1. That the persons whose testimony is attached hereto in the form of "designations," "cross-designations" and [fol. 38] "reply designations" would, if called as witnesses, testify to the facts set forth therein.

2. That the "designations," "cross-designations," and "reply designations" covered by this stipulation may be offered into evidence and when received shall be deemed to constitute a part of the Reporter's Transcript of Proceedings herein (without the necessity of the Reporter copying the same into the Reporter's Transcript) with the same force and effect as though the witness whose "designation," "cross-designation" or "reply designation" is received had testified in person; that the testimony so received shall be governed by the same rules and treated in the same manner as though the witness had testified in person and that said "designations," "cross-designations" and "reply designations" shall be referred to hereinafter as "Appendix A to Reporter's Transcript of Proceedings."

3. That said "designations," "cross-designations," and "reply designations" are agreed statements in narrative form taken from the Reporter's Transcript of the testimony of said witnesses in *United States v. General Motors Corporation, et al.*, Criminal No. 30132, in the above entitled court, or are questions and answers copied from the Reporter's Transcript in said action; that said "designations" and "reply designations" were selected by plaintiff [fol. 39] and that said "cross-designations" were selected by the defendants indicated.

4. It is expressly understood and agreed that:

(a) This stipulation is for the purpose of the above-entitled case only;

(b) Plaintiff and each defendant reserves the right to object to the receipt into evidence of any fact herein stipulated on any ground or grounds.

Dated: May 20, 1964.

Maxwell M. Blecher, Robert C. Weinbaum. /s/ By
Maxwell M. Blecher, Attorney, Department of
Justice. O'Melveny & Myers, Lawler, Felix &
Hall, Aloysius F. Power, Robert A. Nitschke,
Nicholas J. Rosiello, By Homer I. Mitchell. Han-
sen & Dolle, Glenn S. Roberts, By Victor R.
Hansen, Attorneys for Defendants.

It is so Ordered this 1 day of June, 1964.

Charles H. Carr, United States District Judge.

[fol. 40]

VICTOR O. GERETZ

Designation by Plaintiff

My name is Victor O. Geretz. I reside at 6848 Shoup Avenue, Canoga Park, California.

I am a lawyer engaged in the private practice of law with the firm of Hertzberg and Geretz in Los Angeles.

In 1960, I bought a 1960 two-door Corvair by arranging for the purchase through the Fedco, Inc. discount store on Slauson Boulevard.

Prior to going to the Fedco store, I went to a Chevrolet dealer (Nugent Chevrolet) to obtain prices on various models of Chevrolet. Then I went to the Fedco store which referred me to another Chevrolet dealer—Bruder Chevrolet. I was referred to a specific salesman at Bruder named Mr. Adams, who gave me a price on the particular car which I was interested in at the time. I signed a purchase order for the car (a Monza model Chevrolet Corvair), but never took delivery of the car because although I was informed at that time that there would be a waiting

period of about three weeks, I subsequently decided that I didn't want to wait that long.

During this interim period I stopped at Courtesy Chevrolet, a dealership near my office, to check prices on the 700 series two-door Corvair. Then I went back to Bruder [fol. 41] Chevrolet and saw the same referral salesman, Mr. Adams, whom I informed that I no longer wanted the Monza, but would like a price on the 700 series model. I purchased this car from Bruder Chevrolet, going through the same procedure with Mr. Adams that I went through when I was originally referred to this agency by Fedco. In addition, the automobile was financed through the Fedco store.

When I purchased my car from Bruder Chevrolet, I obtained a new car warranty, and subsequently I had some major work done by Bruder under the warranty, which was completed satisfactorily.

When I went to the Fedco store I didn't know which Chevrolet dealer I would be getting my car from. There were no cars on display there. There were no signs on the premises indicating that the facilities were part of a Chevrolet dealership or were affiliated with a Chevrolet dealership. There was no literature indicating the Fedco store was affiliated with a Chevrolet dealership. The sales person at the Fedco store did not represent to me that he or she was acting as a Chevrolet dealer. I did not believe that the Fedco store was a franchised Chevrolet dealer.

Q. Were you satisfied with your transactions with Fedco?

A. I was.

[fol. 42] Q. From your experience, do you believe there are any advantages in purchasing a car through a Fedco referral service, rather than purchasing a car directly from a Chevrolet dealer?

A. I do.

Q. What are those advantages?

A. To me the important advantage is the fact that I don't have to engage in any kind of bargaining when I go out to buy a new car. I have confidence that I am getting the best price possible under the circumstances. It is a simple way of doing it, and it is a sort of painless way of doing it.

Q. Would the fact that you might get a lower price if you shopped another six dealers be justification for you to bypass Fedco, in your own mind?

A. Not really, because I just don't like the idea of going in and bargaining for the car.

Q. If you were to buy another car, would you return to Fedco for referral?

A. If they could refer me for the car that I was interested in, I certainly would.

[fol. 43] I didn't, after getting this price from Bruder, go back to Courtesy or Nugent to see if they would meet that price. I have heard of people shopping around among Chevrolet dealers or other automobile dealers, but I don't know as a fact that Chevrolet dealers are competing with each other pricewise. I know that as a matter of, let's say, advertising or reputation, but not as a fact. I have not had any experience other than this one purchase that I have testified about, but I am satisfied from that experience that the best way for me to buy a car is through Fedco.

Q. Well, so that really you don't know whether it is better to buy a car through Fedco or to shop Chevrolet dealers, do you, when it comes right down to it?

A. Well, I know it is better for me to do it a certain way.

Q. And without knowing whether or not you could shop Chevrolet dealers and get even a better price, you are willing to give an opinion, are you, Mr. Geretz, that the best way to buy a car is through Fedco?

A. Sir, my opinion relates to the best way for me.

[fol. 44] Q. Oh—

A. The best way for me. I feel it is to do it the way I did it and I think I would do it the same way again.

Cross-designation by All Defendants

The Fedco store on Slauson was a conglomeration of store buildings that were next to each other. They had merchandise of a general nature; soft goods, appliances of various kinds, hardware items, automobile accessories, gardening supplies, nursery supplies, clothing, and things like that. I don't remember whether the Slauson store had furniture there at that time or not. They were sort of limited in space. Since then they have built a new facility on La Cienega. The Fedco store is sort of a gen-

eral merchandise place, in some respects like a department store and in other respects not. It was a place of business where they merchandised various kinds of personal property.

As part of their business, they had what they called a referral service. If one was interested in buying an automobile, they would refer a member to an automobile dealer who sold a particular automobile that the member might be interested in. They were really helping the automobile dealer sell his automobiles, as well as helping the member. [fol. 45] The automobile financing was handled in a different part of the particular store on Slauson. They had a counter in the store, as I recall, that handled insurance and also financing. I believe that as a member of Fedco I could finance my automobile purchases there whether I bought the automobile through Fedco or otherwise. One of my privileges as a Fedco member was to buy insurance and financing, so even though I bought the automobile directly from Bruder, I could have gone to Fedco and financed it if I had wanted to.

At the time of my purchase of the automobile I was living on San Vicente Boulevard near Hauser Boulevard. I think the closest dealer to my residence at that time was Nugent Chevrolet. Courtesy Chevrolet is near my office.

I now live in Canoga Park and have my servicing on major work done at Clem Ruh Chevrolet in Canoga Park. I think it is a good idea to have the car serviced by a dealer who handles that particular car as a new car dealer.

[fol. 46]

GEORGE A. CAHHAL

Designation by Plaintiff

My name is George A. Cahhal. At the present time I am office supervisor for New Departure Division of General Motors, located at 3650 South Broadway, Los Angeles. I have been employed by the New Departure Division for approximately ten years.

In January 1959 I had occasion to purchase a new Chevrolet Impala Sport Coupe. I arranged for the purchase of this automobile through Certi-Bond Discount Store in

Torrance. The Union Car Sales Company is located in Certi-Bond's. I learned about Union Car Sales at Certi-Bond from a number of people.

I believe I talked to Mr. Chico at Certi-Bond store. I told him what I wanted in the way of an automobile and asked him what he could do in the way of delivering one to me, and he figured out what the car would cost me, how much it would cost per month to pay for it and then we consummated the deal. I had a trade-in at that time which I traded in through him. I took delivery of my Chevrolet at Certi-Bond. At the time I took delivery I didn't know where the car was coming from. After I took delivery I knew because they gave me the service (warranty) policy [fol. 47] and I believe the name of the dealer (Ernie Porter Chevrolet in Pasadena) was on the warranty. I had occasion to have the car serviced under the warranty at Ernie Porter Chevrolet and was treated well there and they took care of the things I asked them to take care of.

Prior to making the purchase through the Certi-Bond Store in this manner I had contacted about three or four dealers in the immediate vicinity of Maywood where I was living at the time.

I purchased a 1960 Chevrolet Corvair through Certi-Bond the following year. I traded in the 1959 Impala which I had purchased from Certi-Bond for the 1960 Corvair. It was approximately a year and a half after I purchased the 1959 car that I traded it in for the 1960 car. I did not shop at any Chevrolet dealers prior to returning to the Certi-Bond Store. I took delivery of the Corvair at the Certi-Bond Store and received a new car warranty at that time. The car came from Courtesy Chevrolet. I had it serviced under the warranty at Courtesy Chevrolet and I was treated properly there.

I am satisfied with my transactions with Certi-Bond.

[fol. 48] Cross-designation by All Defendants

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[fol. 49] I believe the Certi-Bond Store is like most of the discount stores in Southern California. It has appliances, housewares, dry goods, jewelry departments—that type of thing. It is on the order of a conventional depart-

ment store; the same breadth of merchandise and the same type of operation. It is really a merchandising location.

Union Car Sales had a section or a corner of the Certi-Bond Store in Torrance, California. They had a couple of desks and two or three file cabinets and they had brochures on different types of automobiles including Chevrolet. They had a sign saying "Automobile" or "Car Department" or something to that effect. When I bought the first car, there were a couple of automobiles on the floor. To the best of my knowledge there were no Chevrolets on the floor.

Def. GM Ex. K is a copy of the State of California vehicle registration of the 1959 Impala I purchased. A copy of it was placed on the windshield of the car. It bears my name and my wife's name, our address, and the model of the car we purchased. Def. GM Ex. L is the invoice from Ernie Porter Chevrolet covering the sale of the car to my wife [fol. 50] and me. I never saw that invoice in connection with the transaction. Mr. Chico never disclosed to me that Ernie Porter invoiced the car to me.

There was a delay of about eight weeks in the delivery of this car. I waited about two weeks, I guess, at which time I thought I should have had delivery of the car, and I started calling Mr. Chico and asking about delivery of it. This went on for about eight weeks. I called him at least once a week, sometimes twice a week. He was postponing delivery, giving me a new delivery date about when he thought it would be in; or else he would stall me and tell me to check back with him and he would get something more definite on it for me. He did not tell me what was the matter, just "delivery from the factory." I wouldn't say those were his exact words, but I assumed it from what he said.

Q. Did he say he had any connection with the factory?

A. No, sir, he did not, not in so many words.

Def. GM Ex. M is a copy of an invoice from Union Car Sales to me and Mrs. Cahhal showing a Chevrolet Corvair model 727. Def. GM Ex. N is an invoice from Courtesy Chevrolet to my wife and I covering the same car. I [fol. 51] haven't seen that before.

Q. I would like to point out something to you, Mr. Cahhal, please. Your invoice from Union Car Sales, exclusive of sales tax and license, as you said a moment ago, was \$2140; is that right?

A. Yes, sir.

Q. And the document just introduced into evidence by which Courtesy Chevrolet invoiced the car to you shows a price, exclusive of sales tax and license, of \$2384—I mean \$2083.44; is that correct?

A. That's correct, yes, sir.

Q. So that you see a difference there of \$56.56?

A. Yes, sir.

Q. You recognize that as being the amount which Certi-Bond or Union Car Sales added on over and above the price at which Courtesy Chevrolet invoiced the car to you, do you?

A. It looks as though, yes, it does.

I did not go to Courtesy Chevrolet before going to Certi-Bond to see if they would sell this car to me for \$56.56 less.

[fol. 52]

OWEN KEOWN

Designation by Plaintiff

My name is Owen Keown. My home address is 1338 Princeton Street in Santa Monica. I have been a Chevrolet dealer since 1927, and the name of my dealership is Owen Keown Chevrolet Company located in Venice, California. I am a member of the Losor Dealers Association, and was a director in 1960. I think I was a director in 1961 as well.

On June 28, 1960, a general meeting of the Losor Dealers Association was held (Pltf. Ex. 171, minutes of the meeting).

Q. Now, do you have any recollection, Mr. Keown, of a report represented in this minute made by Mr. Cone on the discount houses and how to go about eliminating this menace from the car business?

A. Yes.

Q. Will you tell us what he said to the best of your recollection?

A. Well, I couldn't tell you what he said. I don't remember exactly what he said. I could tell you in substance, because I was at that time a director of the Southern California Dealers Association. I attended the same meeting with Mr. Cone. and the meeting was devoted to the

discount house problem, as we called it, or the evil, and at that meeting, then we decided to have a legislative committee look into any laws that were being violated in respect to this kind of selling and any other legal angle of it that they could uncover, and that is in substance what Mr. Cone reported to our meeting.

Q. Now you are talking are you not, sir, about a report that Mr. Cone made or what was discussed and went on in a meeting of the Southern California Dealers Association?

A. Yes. That is what he reported.

Q. Now, do you recall, sir, who made mention of the fact that the Orange County dealers had expended \$750.00 to Cameron Aiken for a report?

A. No, I don't know who said that. Somebody made it, the remark.

Q. Do you know who Cameron Aiken is, sir?

A. He is an attorney.

Q. Was there any discussion at the meeting of June 28, 1960, among the Losor members of whether or not it would be best to proceed along the lines of getting legislation or whether it was better to put the problem directly in the lap [fol. 54] of the Chevrolet Motor Division?

A. Well, we at that meeting, if I remember, we thought that both should be done, but our association wasn't strong enough and big enough to do very much from the legal standpoint, and we thought that we would present what evidence we could to the Chevrolet Motor Division.

Q. Well, was there a decision then made, Mr. Keown, to aggressively pursue the attack on the discount houses by legislative remedy?

A. No.

Q. Well what was decided in respect to the legislation at this meeting of June 28, 1960?

A. At that particular time we felt that that was being adequately done by the Southern California Dealers Association.

Q. You felt therefore there was no need for Losor to make a separate and independent inquiry with respect to legislation. Is that right, sir?

A. That is right because Mr. Cone and I could keep them informed as to what went on.

Q. You decided that the best course of action would be to

take this problem to the Chevrolet Motor Division. Is that correct, sir?

[fol. 55] A. That is right.

Q. And was there a discussion among the members at that meeting concerning whether or not you should in fact take the problem to Chevrolet?

A. Yes, we discussed it.

Q. Now, will you tell us, as best you recall, what the substance of that discussion was by the members then present?

A. Well, the substance of it was that the membership of our Association agreed that the thing to do was to ask Chevrolet to do something about this, to present the evidence that we could accumulate and give it to Chevrolet and let them take the action that was necessary.

It was made as a recommendation and the members agreed to take certain information to Chevrolet. I don't know of any opposition to it. We proposed to take positive proof to Mr. O'Connor, Zone Manager of the Chevrolet Motor Division, that dealers were selling their cars through discount houses. We wanted to know who the dealers were who were selling their cars through discount houses so we could tell Mr. O'Connor.

We considered taking the problem to Chevrolet because the problems became aggravated suddenly because ap-[fol. 56] parently there were more cars being sold through discount houses than there had been up to that time. This was a subject of discussion among the Losor members in June of 1960. The substance of the discussion was that the problem was becoming aggravated, that more and more cars were being sold through discount houses in the Orange County area. The dealers were concerned about the cars being sold through discount houses because it affected their business.

Q. In what way, sir?

A. Lost sales.

Q. They were concerned about the competition created by the discount house referral service method of merchandising?

A. They were.

Q. Which dealers were most concerned about this new form of competition?

A. All the dealers seemed to be concerned that were in that area.

Q. In what area, sir?

A. The Orange County area.

Shortly after the June 28 Losor meeting and before July 26, a group of us called on Mr. O'Connor at the zone office. The persons present were pretty generally the committee named at that meeting to call on him. At this [fol. 58] meeting each person who had evidence that cars were being sold through discount houses presented it to Mr. O'Connor. The meeting lasted 20 or 30 minutes. I think this was the only matter discussed. What we wanted to present to Mr. O'Connor was evidence of the fact that cars were being sold through discount houses and what dealers were doing it. The evidence I submitted to him was an actual order that we placed at the More discount store for a Chevrolet. And I think there were some other orders, documents of that kind. Mr. O'Connor said in substance that he agreed with us that the dealers should not sell their cars in this manner, and that he would talk to them about it. I don't remember O'Connor saying whether or not he was going to ask the dealers to stop selling through discount houses and referral services, but of course that's what we wanted him to do.

On July 26, 1960, at a general meeting of Losor dealers I gave a report on the meeting held with Mr. O'Connor on the subject of discount houses (Plaintiff Exhibit 172, minutes of this meeting). On or about September 27, 1960, according to Plaintiff Exhibit 173 (minutes of another Losor meeting), I reported to a meeting of Losor dealers that Mr. O'Connor had called on each dealer selling through [fol. 58] discount houses and requested them to please stop this source of supply, but I feel very positive that Mr. O'Connor never told me that he had called upon the dealers. This was either an error in my reporting or an error in taking the minutes.

I had a conversation with Warren Biggs and a subsequent conversation with Will Newman, both of whom were doing business with discount houses. Both of them were operating on a referral basis, referrals from discount houses. I asked Newman if he would continue to do so. And he told me he would until he was told not to by the Chevrolet Motor Division. And I asked him why. And he said

if he gave that business up, which he considered extra business over and above the normal business he did, it was beneficial to him and profitable, that he wasn't going to give it up and have some other Chevrolet dealer then take that same business that he was getting; and when the Chevrolet Motor Division told him not to do it, he knew that they wouldn't let some other dealer carry on with it. Mr. Biggs told me that same thing when I talked to him.

In approximately early November I played golf with Warren Biggs and Mr. O'Connor. There was also another dealer present. It was at this golf game that I first had [fol. 59] occasion to discuss the matter of discount house selling with Mr. Biggs. This is the conversation Mr. Biggs refers to in his letter of November 5th, addressed to me (Plaintiff Exhibit 6). I was simply getting information, and I did not attempt to persuade Mr. Biggs to discontinue doing business with Fedco [the referral service]; but I thought this meeting at the country club would provide an opportunity for Mr. O'Connor to make some comment along that line. Mr. Biggs said in front of Mr. O'Connor that if he was asked not to do this by Chevrolet Motor Division, that he would immediately not do it; but until he was asked, he was going to continue, because he thought it was pretty good business, it was extra business, he liked it, and he was going to continue it, because if he didn't, some other dealer then would take that same business. Mr. O'Connor didn't discuss the matter with Mr. Biggs. He was an onlooker and listener, but he made no comments that I can remember. At that time I decided perhaps Mr. O'Connor didn't have the authority to tell Mr. Biggs to give up this business.

A good majority of Losor members attended the annual meeting in Honolulu on November 10, 1960 (Plaintiff Exhibit 175, minutes of this meeting). At this meeting there [fol. 60] was discussion concerning the writing or wiring of letters or telegrams to Mr. Gordon, president of General Motors, Mr. Cole, general manager of Chevrolet Motor Division at that time, and Mr. Staley about the discount house situation. I reported to the Association my meeting with Mr. Biggs and Mr. O'Connor, and I stated that I had concluded that O'Connor did not have the authority or permission to stop the dealers from this activity which we thought should be stopped, this method of selling cars, and

suggested that we write to these people, telling them of our problems and asking for their help. And the dealers present as a group agreed that they would each one do that individually. And some of them volunteered that they would have their salesmen also write letters because they claimed that their salesmen were being affected. The salesmen were losing sales, losing income, due to the fact that cars were being sold through discount houses.

We hoped that Mr. O'Connor would be instructed or otherwise authorized to bring about an end to discount house selling of Chevrolet automobiles in the Southern California area as the result of these letters and telegrams. We were seeking the assistance of the higher echelon officials of Chevrolet and General Motors in bringing about [fol. 61] an end to the discount house sale of Chevrolets.

On December 15, 1960, I attended a meeting of the directors of all three Chevrolet dealer groups at Perino's Restaurant. It think that Mr. Pollard called the meeting. The problem of cars being sold through discount houses was discussed almost exclusively at this meeting. Mr. Pollard explained that he was chairman because Foothill Dealer Association was paying the luncheon bill. And in substance he explained that we were there to discuss the problem of dealers selling cars through discount houses and then he called upon the various dealers in the room to express their opinions as to whether dealers should engage in this kind of practice. And as I remember, there was no opposition to the general feeling that the dealers were not ethical who sold their cars in that manner. Both Mr. Newman and Mr. Biggs took a position in substance or effect opposed to discount house selling. I believed that they were both doing business with Fedco [a referral service] at that time, and it was common knowledge among the dealers that this was the case. At this joint meeting of directors I don't think the Chevrolet dealer selling agreement was a topic of discussion.

Q. Now, what happened after all the dealer's views were [fol. 62] solicited on this matter?

A. Then after everybody had expressed their opinion Mr. Pollard suggested that he thought the better way to proceed was to have a general committee composed of members of the officers of the 3 groups to work together to see what they could do almost as we had done through

Losor, to search out any legal ways that we could stop it, to find out if they were violating any laws, to see if there were any laws that we could maybe have passed in Sacramento to protect us and to do such other research as they could to find out all they could about this particular problem.

Q. To do whatever they could to see that it ended, in other words?

A. Yes.

A committee was in fact appointed.

On December 28, 1960, I attended a meeting of the Losor dealers at which time a report was given to the membership on what happened at the December 15th meeting of the directors of the three dealer associations. I made part of the report.

Subsequent to that time I received a letter from Mr. Staley dated December 16, 1960 (Plaintiff Exhibit 198), [fol. 63] I got a telephone call from Mr. Hawthorne, one of the city managers for the Los Angeles Zone, who works under Mr. O'Connor's supervision. Hawthorne asked me if I sold cars to discount houses, and I told him no. He said, "Well, I have very little to talk to you about then, because I just want to talk to those dealers who do." He said, "I am supposed to ask you not to if you were." Hawthorne told me in substance that he had been instructed to call dealers and find out whether or not they were selling through discount houses. I think at our subsequent Losor meetings we discussed the fact that eventually somebody had called the dealers and asked them not to sell to discount houses. And we were quite pleased about it.

I was a member of the Losor Board of Directors which approved a letter to the membership of Losor (Plaintiff Exhibit 176) asking the membership to express their appreciation for the fine job Chevrolet had done in stopping the sale of cars through discount houses. We thought at the time that they had stopped it, that General Motors had responded to our request and had helped eliminate the sale of Chevrolets through discount houses. We formed this opinion from conversations with other dealers, and the fact that Mr. Hawthorne had called me, and I suppose [fol. 64] their representatives had called them. I don't remember that anybody said that they had stopped, but when we got the word from the city managers, each of

us on the phone, that they were calling all the dealers and ask the offending dealers to stop, that is what we had been asking for.

The Losor Board of Directors authorized the purchase of a Chevrolet car through a discount house. I think it was a telephone conference meeting. We authorized funds for the purpose of buying a Chevrolet through a discount house because by that time we had heard that cars were still being sold through discount houses. So we wanted to present this evidence to Chevrolet. Miss Evelyn Davis from the Losor office went to a discount house; I think it was Gemco. The car was paid for, I am pretty sure. It was paid for with Losor funds. Mr. Henson, and I think Mr. Marion Johnson took the evidence to the zone office.

Sometime around February 1961 I attended a meeting at Brower's Restaurant of the committee which was appointed by Mr. Pollard on December 15th. After that time I discussed with Mr. Henson whether or not Losor should contribute money that might be used for the purchase of other cars. Our board of directors authorized them to continue with this. It was understood at that time those cars were to be purchased that information concerning the purchases would be turned over to the Chevrolet zone office here in Los Angeles.

Prior to a general membership meeting of Losor on April 6, 1961, the Losor Board of Directors voted \$5,000 to the trustee account of Glenn Roberts for the purpose of buying cars and ultimately turning over the data so secured to General Motors. The purpose was to continue what we had been doing. We decided we would have a fund that could be used for the purchase of cars and the investigation to find out if this was still going on through discount houses, and just how they did it. The money was appropriated to Mr. Roberts with the understanding that the information so secured was to be delivered to the Chevrolet Motor Division zone office in Los Angeles. At about the time Losor approved the \$5,000 to Mr. Roberts, the other associations agreed that they would each give \$5,000 for this purpose. I was at the meeting when the Dealers' Service and Foothill representatives said in effect that they would contribute to the fund the same way Losor did. It was understood at that meeting that the information [fol. 66] disclosed as a result using these combined funds

would be made available to General Motors as it had in the past.

Cross-designation by All Defendants

In setting up a dealership and in getting a Chevrolet contract, we agree as dealers to sell and display our cars and, in addition, to furnish a service department, adequate to handle the volume of business that may be in the particular area in which we are doing business. But the service department of a Chevrolet dealership is not a profitable department. Generally it is the opposite, it is a losing department. In my own particular case in years past I have had losses in my service department up to \$3500 per month. In the year 1960 and '61, I cut those losses down to \$1,000 per month, in round figures. The service department thus has to be maintained by the sale of other Chevrolet products, new cars and trucks and parts. We subsidize the service department.

We all recognize the fact that if we didn't have a service department that we could make more money, and we could sell cars at a less cost. The service department is an expense to us. Chevrolet recognizes that the reputation of their product, the good name they have established through [fol. 67] their manufacturing of a car, depends on the way it is serviced. An automobile is not like a piano or some other piece of furniture that you look at. It is something that you use every day on the highway, and it has to have continual service, at least periodic service, if it is going to function right. The present-day automobile is a very complex car. It no longer can be repaired by bailing wire and a monkey wrench and a pair of pliers. It takes an investment in equipment and machinery that costs hundreds and hundreds of dollars for a dealer to properly service the cars that he gets to deliver to the public.

In 1960 Owen Keown Chevrolet sold on the average of 50 or 60 new Chevrolets per month. I think that is a pretty small dealership. We had about 60 employees and more than half of them were employed in the service department; that's including the service salesmen, the service manager, the file clerk, the mechanics, wash men, get-ready men, and so forth. The get-ready men are the ones that get the new cars ready for delivery. We service the cars after the

factory sends them to us. During 1960 we kept a stock of parts and accessories, in dollar terms, of approximately \$60,000.

[fol. 68] Some time around July 1960 I sent one of my salesmen to More's Inc., a discount store in West Los Angeles. He placed an order for a Chevrolet and put a deposit on it. He reported back to me that the automobile referral service had an office in the building and there was a man there who discussed the purchase of the car with him. Mr. Reed, my salesman, asked where he was going to get this car and was told that it would be through Warren Biggs Chevrolet. Mr. Reed had the impression, he told me, that the man at More was working for Warren Biggs. He didn't tell me whether or not the man at the discount store told him that.

I objected to Mr. Biggs selling a car through More Inc., because if they continued to sell cars through discount houses and more discount houses of that type move in my area, I wouldn't be able to be in business very long, and I want to stay in business. If there were very many of them established in my area, and they would sell as many as 10 or 15 cars a month and would deprive me from selling that many per month, I wouldn't even break even. The margin of profit in the Chevrolet operation is just too small to stand that.

So when this matter of dealers selling through discount houses got to be quite an extensive business, we realized [fol. 69] that sooner or later it would affect all of us, because if it was going to be done in Orange County, in certain areas, in large numbers, then there would be nothing to prevent a house of that kind, a discount house, to come into my area—there may be several of them—and all of them sell Chevrolets, and those Chevrolets would be furnished by dealers far away who were not interested in the service, or interested in the welfare of the customer; all they want to do is make a sale.

As far back as July 1960 Mr. O'Connor said he would talk to the dealers about their selling Chevrolets through discount houses. He told us that he didn't think the dealers should sell their cars in that manner, but Mr. O'Connor never told me that he had called upon them. I never did get an answer from him on that. And from that time on every time I would see Mr. O'Connor he would say that

he hadn't had an opportunity to talk to the dealers yet. I thought the golf game would be a golden opportunity for him to talk to a dealer in my presence. But Mr. O'Connor didn't discuss the matter with Mr. Biggs. He was an on-looker and listener, but he made no comments that I can remember. I decided perhaps that Mr. O'Connor didn't have the authority to tell Mr. Biggs not to sell cars in that [fol. 70] manner and I thought maybe I shouldn't embarrass him any further.

The purchase of the new Chevrolet by Evelyn Davis at Schonlaw Chevrolet through Gemco was made in order to convince Mr. O'Connor that Chevrolets were actually being sold through discount houses at that time. It was not done pursuant to his request, and, as far as I know, it was done without his knowledge. The Losor Board of Directors decided that after the evidence was submitted to the Zone Office, one of the dealers in Losor would resell the automobile.

We had Mrs. Davis make a tape recording of the transaction for evidence as to the kind of conversation that was used in the sale of this car. We thought that if we had a good recording, we could present that also to the Zone. I think it was rather jumbled and not very good—I don't remember hearing it myself.

Mr. Henson later told the Board that when they took the evidence of the purchase of this automobile in to Mr. O'Connor, they were very surprised to find that Mr. O'Connor already knew about the purchase of this automobile.

A bird dog is an entirely different thing than a discount [fol. 71] house. The term "bird dog" has a certain meaning in the language of the automobile industry. In the dealer's area where he does business, the salesmen get acquainted with service station operators, people who work in plants and in any location, stores or any place else, and they cultivate his acquaintance and ask him if he will tell him about anybody that wants to buy an automobile; and then, when he buys the automobile, the salesman will give him a portion of his commission. Now, that is called bird dogging, and it has been a very prevalent part of this business. That is an individual matter between the salesman out working his territory and trying to create contacts who will tell him where he might sell a car, and if they

tell him, he rewards him by paying him a certain amount. It can be any amount, five or ten dollars or a bottle of liquor. He is a bird dog for the salesman.

Additional Cross-designation by Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Chevrolet Dealers Association

There was no discussion at the Losor meeting in Honolulu [Nov. 10, 1960] concerning what the content of the letters we wrote to Detroit were to be. That was left to each individual dealer. We left it to each individual dealer to express his own opinions.

[fol. 72] At the December 28, 1960 Losor meeting I reported to the membership that the directors of the three associations had met at Perino's on December 15th, and the meeting was conducted by Mr. Martin Pollard, and that Mr. Pollard called on each dealer to express his views relative to the dealer selling cars through discount houses.

I also reported what Mr. Newman had said at that time at that meeting. I told them that after that discussion, that Mr. Pollard appointed a committee to further investigate this matter of discount houses, and what they might come up with legally, that we might use to combat it, either through the violation of licensing laws or any other laws of the State that we could uncover. I made a full report of that meeting, and then I think the other members of the board of directors substantiated my statements.

At no time was there any agreement among the members of the Losor Chevrolet Dealers Association that they would not do business with discount houses and referral services. To the contrary—at one meeting I remember that some dealer made the suggestion that we refuse to trade with dealers who sold cars through discount houses, and he was immediately shouted down and they said we cannot possibly [fol. 73] do this. There never was any agreement of that kind at any time.

The dealer associations, Losor and Foothill and Dealers' Service are each separate entities or corporations. They are in no way a subsidiary of or part of General Motors. The most important purpose of our associations is designated by the name we call them by,—“trading associations.” Back before we formed our Losor group, for in-

stance, it was necessary for dealers to trade with each other by individually calling the dealers whom we thought might find a particular car. It was impossible, even at that time when we didn't have so many automobiles and so many options, to keep all in stock at one time. There was tremendous inconvenience as well as expense to have to go down the list of dealers and call them individually to find out if they had a particular car in stock. So we as dealers in discussing this problem with each other decided to form an association, and it was for the purpose of trading cars.

We thought of we could pay a nominal fund into an association and have an office set up where we had girls that worked for us, we could call that trading center, which we called our Trading Bureau, and ask the girl to find or locate [fol. 74] a particular car that we needed. As time went on that has become more and more important because of the tremendous number of models we have, the tremendous number of options and colors, and it would be physically impossible for a dealer, even the largest dealer, to carry all those cars in stock. We trade with each other and that is the primary purpose of our organization. We pay into our association a fee of so much per car to pay the expenses of our association office and the salaries of the girls. Now, after that was established, then we found it convenient to do other things. We have in recent years, when Chevrolet has put on a campaign, for instance, that has cost the dealers so much to put on a selling campaign, our association, rather than the dealers, have paid that amount so that the cost would be borne by all dealers.

When we first organized this association, our Losor Association also attempted to do some advertising to create public acceptance and to advertise our dealers. We have roughly from 30 to 34 dealers in our dealer association, and we spent some of the funds that we collected from dealers to pay for advertising in various ways. That went on for a number of years and it was quite unsatisfactory, because our group in Losor was advertising entirely independent of [fol. 75] what the city dealers were advertising and the Foothill dealers. The three associations met in 1955 and we decided to form another corporation, solely for the purpose of advertising. That is L.F.D., and we contribute to that. "L.F.D." is the first letter in each of the three associations.

L.F.D. sponsors sports announcements and football and

baseball games. L.F.D. retains an advertising agency and pays them a fee, and they place the advertising for us. A board that is selected by the dealers reviews in advance these advertising matters that they are going to use, whether it is spot announcements, and what the announcements say, or if it is a program for baseball or football or basketball, why, it is presented to that board and they approve it.

Our purpose has been to correct some of the feelings against Chevrolet dealers and perhaps to give us a better image in the public eye. From time to time we also sponsor newscasts, such as the Jack Latham show, Big News, Clete Roberts, Baxter Ward, and George Putnam. We also have sponsored some public service programs, such as Airborne Alert, and Special Report, the X-15. We also discuss common problems in the industry in our meetings. There are many things that we discuss.

The directors of L.F.D. are made up of members from [fol. 76] the three associations.

With reference to the dealers who sold through discount houses and those that were known to the association as having done so, or continued to do so, there was no pressure placed on them, and no disciplinary action taken by the association against these members. Our purpose was not to take action; our purpose was to gather information. We wanted to find out all we could as to how these cars were sold. We didn't deny any of the dealer members the service of the trading bureau because they happened to be selling through discount houses and we didn't threaten to. We never made any threats. We didn't even make any request of any dealer not to sell. We were very careful not to. The cordial relationships between the members of the associations continued on through this entire period of the problem of discount houses. Our functions we carried on just the same as we always did. We carried on our regular business, with the addition of investigations we made of the activities that were going on through the discount houses.

The activity of the associations—engaging in obtaining information—was done for the purpose of submitting it to General Motors, and also for the purpose of possible [fol. 77] legislation. That was our sole purpose in doing it. We had no other purpose than to present to Chevrolet what we could find out through our investigation as to how

it was done, and to have positive proof that it was being done. It wasn't our place to enforce anything or cause any dealer not to sell. That information was transmitted to Chevrolet for their action, and we assumed that Chevrolet would have the right to take such action. If they didn't they would tell us. They never did tell us that they didn't have the right to.

In the year 1960, we did not know whether the discount houses and referral services in Southern California held dealers licenses from the Department of Motor Vehicles in the State of California. We tried to find this out through investigation.

At the December 15 meeting Mr. Pollard appointed a committee. The purpose of the committee was to try to find out all we could about this matter. They were told to find out what violations, if any, might be going on, and what laws might be violated, State or licensing laws. Get any other information that they could. I don't remember specifically the instructions, but that's generally as I remember it.

[fol. 78] Plaintiff's Reply Designation

Q. Let's suppose I bring a Chevrolet in to your place of business and the motor is hardly running and your mechanic tells me it needs a motor overhaul; what happens then, Mr. Keown? I say, "Go ahead and fix it up."

A. Then the service salesman writes up an order at your request and states what you want done on that automobile. And then the order is given to the dispatch office and it goes to the mechanic who is supposed to do that work. And he does it and it goes back and is billed out to you.

Q. I get a bill at the end?

A. You get a bill.

Q. The bill has a distinction usually between parts and labor?

A. Yes, it does.

Q. When my engine is going to be overhauled, I get a lot of parts put in there, don't I?

A. Yes.

Q. And it is the same thing if I have a transmission fixed, there are parts and there is labor?

A. That's right..

Q. If I want a new set of valves put in, I have some [fol. 79] parts and some labor?

A. Yes.

Q. Practically everything I have done on the car involves parts and labor?

A. That's right..

Q. And you bill me separately, you show me at the end how much parts you use and how much labor is involved; is that right, sir?

A. That is correct.

Q. How is that reflected on your accounting records as part of your income or loss from service?

A. The parts department is not the service department. The loss from the service department is only from the service.

Q. The loss on service reflects only the labor, does it not?

A. The operation of the service department, yes.

Q. The operation of what you call the service department as a bookkeeping matter means only labor, does it not, sir?

A. Yes, sir, that's what the service department is, is the labor on cars.

Q. That's what you think it is, but actually you are putting in parts and labor, aren't you?

[fol. 80] A. That is the parts department that handles parts.

Q. That's what you consider a parts department, but I am saying when I come in to buy a car, I pay you for parts and labor, don't I—when I get my car fixed?

A. You do if there are parts used. Sometimes there is only labor.

Q. But most of the time there are parts used?

A. Yes. But many times there is only labor, too.

Q. But more substantial repairs involve parts, don't they?

A. Yes, substantial repairs.

Q. There are some 2,000 moving parts, and when something goes wrong with the car, some of those 2,000 parts have to be replaced or repaired; is that right?

A. Yes, sir, I agree.

Q. Most of the time if you have any substantial amount of work done you are getting both parts and labor?

A. Yes, for a substantial job you would.

Q. All right. I would like to show you the 1960 financial [fol. 81] statement of Owen Keown Chevrolet. I think you told us that you sustain a loss in your service department of \$1,000 a month; is that right, sir?

A. Yes.

Q. That would be about \$12,000 a year?

A. Yes.

Q. I invite your attention to page 3, to the caption "Departmental Income and Expense," under column C, Service Department, and this appears to reflect a loss of \$3,473.10 for the year ending December 1960; is that right?

A. That's true.

Q. That would be about \$300 a month loss rather than \$1,000; is that right, Mr. Keown?

A. Yes.

Q. I would like to invite your attention to the column headed "Parts and Accessories Account," and invite your attention to the fact that you reflect a profit there of \$17,820 for the year ending 1960; is that right?

A. That is correct.

Q. That is really part of the same operation, when you fix a car up you put in parts and you put in labor, is it not?

A. That's right.

[fol. 82] Q. If we put the two of these together, your parts and labor and accessories, that is the entire service operation of your dealership, it would reflect a profit of over \$14,000, isn't that right?

A. That is not right.

Q. Why is that not right?

A. Because you have completely forgotten this column headed "Administrative". Now, up until just a few years ago the administration was divided up and prorated between departments, but the Chevrolet Motor Division wanted us to have this changed so that none of this administration was put in these departments. We now have to allocate them to find out what our actual profit or loss is in those departments, and we divide them up.

So you have to take the cost of administration and apply the formula that they let us use to find out how much more we have lost in the service department. Because those departments have to pay for administration, too.

Q. They give you a formula, then, to break this approximately \$31,000 figure down?

A. Yes.

Q. What is that formula?

A. About 31 per cent, I think, is labor.

[fol. 83] Q. 31 per cent—

A. For the service department.

Q. How much for parts and accessories?

A. I don't remember.

Q. So if we took about \$10,000 or \$11,000 off of that \$15,000, we would still have a plus figure rather than a minus figure.

A. I was talking about the service department when I talked to you; not about the parts department.

Q. You told us you lost on your service. You are considering only the labor?

A. That's right, service department.

Q. You are not considering the fact when you repair a car you put in parts, as well as labor, and on the parts you reflect a net profit before deducting for administrative expense?

A. I was talking about the service department. I said that loss had to be made up by the other departments in the business. And the parts department is one of them.

Q. And do you make it up, in fact, in part, in repairing cars?

A. We make it up by selling cars, too.

[fol. 84]

CHESTER F. HENSON

Designation by Plaintiff

My name is Chester F. Henson. I reside at 4475 Cerritos Avenue, Long Beach. I have been a Chevrolet dealer since 1950. The name of my agency is Harbor Chevrolet Corporation, located in Long Beach. I have been a member of the defendant Losor Dealers Association since 1950, was elected president in November 1960, and was a director in 1961 and 1962.

In late January or early February 1961 the Losor Board of Directors made a decision to purchase a car through a

discount house or referral service. As far as I know, there hadn't been any absolute proof, such as the physical automobile itself presented to Chevrolet, that it could be purchased through a discount house. It was the belief of the board that cars were still being made available through discount houses and referral services.

The Board of Directors authorized Miss Evelyn Davis, our secretary at Losor, to purchase a car. She borrowed a tape recorder and went to the Gemco store near Anaheim and put a \$100 deposit on a new Chevrolet; Losor furnished the funds for the deposit. Miss Davis went back to Gemco [fol. 85] on a second occasion to purchase the car. She asked Mr. Johnson, an employee of Harbor Chevrolet, to accompany her. I think this was at some time after she had placed a deposit on the car. They went back to make the purchase with a cashier's check made out to Gemco for the car, which I believe Gemco refused. I believe Mr. Johnson had purchased the check from the Bank of America a few days before they went back to Gemco. The Losor check to the Bank of America is dated February 16, 1961. Gemco was a membership discount house, and Miss Davis used the membership card of a person named Palmer, and Mr. Johnson might have passed himself off as Mr. Palmer. I believe the papers that came with the car that was purchased were made out to the Palmers. I think they took delivery of that car at Schonlaw Chevrolet in Los Angeles, and the car was driven back to Harbor Chevrolet. (See Pltf. Exs. 138 and 183) I am sure we probably called the Zone and told them that we had the car and wanted to bring it up. Subsequently, Mr. Johnson and I took the car and papers to the Zone. Mr. O'Connor said to leave the papers and keys with him, and we told him the car was in the parking lot. Eddie Hopper, another Losor dealer from Garden Grove, was also present. He, too, had purchased a car, but his shopping was [fol. 86] not pursuant to the board of directors' meeting. It was on his own.

I brought the car down there for proof that the car had been purchased because I brought papers to him once before when I had purchased a car at another discount house and it didn't seem that that had much of an impression on him. I thought the car would have more impact on him. I thought

if he could see the physical automobile that he couldn't deny that this was going on.

Russell DeOrto was hired by the three defendant dealer associations to do some shopping at the discount houses. I told DeOrto his duties were to shop only for Chevrolets being sold through discount houses, and to make purchases through discount houses. He was to make a tape recording of the conversations and transactions wherever possible, so we could have it to play to the officials of Chevrolet. DeOrto was not told that the evidence he was gathering would be taken to Chevrolet.

I then told DeOrto I'd have to call him later to see if the deal could be firmed up because I didn't have authority to spend \$1000 per month. The money was coming from the three associations. I contacted my Losor board of directors [fol. 87] and got their approval, and notified the presidents of the other associations so they could get approval from their boards. Which they did. There was a mutual understanding that it would be a venture paid for equally by the three associations. DeOrto was hired on a monthly basis and was told to continue to shop until told to stop. I told DeOrto of a couple of discount houses to shop, and then, of course, the other dealers supplied other discount houses in their areas they would like to have shopped. The evidence obtained would be laid at the doorstep of Chevrolet. O'Connor knew we were doing this after the first one, and he didn't discourage me from doing it. It was necessary to make a number of shopping transactions to find out the scope and location of all this type of merchandising, and it was necessary to identify the dealership that furnished the car.

Around March 22, 1961, Mr. Glenn Roberts was employed to direct the activities of DeOrto, as Losor had served notice on the other two associations that it would not carry the burden of the investigation itself, and we thought it only fair that they share in the direction of this activity.

[fol. 88] Cross-designation by All Defendants

Shortly after June 28, 1960, in order to get proof to take to Mr. O'Connor that cars could be purchased through unauthorized outlets, I sent one of my salesmen to Cal Stores to make a deposit on a new Chevrolet. The order

was written there. He went to Cal Stores and told them he wanted to buy a new Chevrolet. I think it was an Impala. They did some dickering and an order was written up there. Cal Stores have a little enclosure there with a desk and telephone and some literature. I turned the order over to Mr. O'Connor. We were not gathering this evidence in response to a request from Mr. O'Connor, and I don't think he knew that we were gathering it.

I was of the opinion that the discount house automobile concessions were unauthorized sales outlets created through some sort of an association with Chevrolet dealers that was a violation of our Selling Agreement, because I had personal experience with that selling agreement and was requested to close a location that was just outside of my zone of influence and I thought, by George, if this applies to one Chevrolet dealer, it applies to all of them.

I didn't think there was any such thing in the General [fol. 89] Motors Corporation or Chevrolet Motor Division that meant that there was a set of double standards set up for dealers operating under the same Selling Agreement.

In June 1960, when a group of dealers who were members of Losor visited Mr. O'Connor and presented evidence regarding discount house selling of new Chevrolets, we were undertaking to submit proof that this was indeed going on—the retailing of new Chevrolet automobiles through an unauthorized location. We just didn't think that they thought it was taking place or that it was very prevalent or whether it was hearsay or gossip or whatnot. We took the attitude that we must submit proof to prove it was going on.

When we gave him the papers, he said that he would have these people contacted. He didn't say that he would do it himself. He didn't tell us when he would do it. He didn't tell us what he would say to them. As a matter of fact, he was pretty vague about the whole thing.

I didn't learn that he ever did have the dealers contacted. I heard that he was going to have it done but I never heard that he did. We tried to find out if he did but I think we got the same kind of vague runaround that [fol. 90] had been happening all along.

In the November 1960 meeting of Losor, I think Mr. Keown reported that there wasn't any progress being

made and I think that is the reason it was suggested that dealers write to Detroit. It was felt necessary to go beyond the zone's authority because there didn't seem to be much action otherwise. It looked like we were going to have to appeal to somebody to get something started on this proposition.

I wanted to show Mr. O'Connor the car purchased at Schonlaw Chevrolet through Gemco to prove to him that they were still violating their franchise. One of the dealers in Losor was to take the car and re-sell it—that was our original plan for getting the money back that we had laid out. In fact, the Board instructed Mrs. Davis to buy an eight-cylinder Impala sports model because it would be an easier car to sell.

When we went to Mr. O'Connor's office with our evidence, we were quite surprised to find out that the Zone already knew about the purchase that we had made and which was quite a surprise to Mr. Johnson and myself. Mr. O'Connor was well acquainted with the deal before we got there with it. He asked where the car was, and we said on the roof. [fol. 91] I didn't ask him what he was going to do, but it was my understanding or impression that the supplying dealer, Schonlaw, had called him and wanted to buy the car back. Mr. Schonlaw could have called him before or after the date I went to see O'Connor.

Additional Cross-designation by Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Chevrolet Dealers Association

I was present at a Losor meeting on June 28, 1960, at the Captain's Inn in Long Beach. I remember being named to a committee that was to take proof to Mr. O'Connor at the Zone Office that cars could be purchased through unauthorized outlets, and also we classified them as illegal outlets. We endeavored to obtain proof and evidence that this practice was being carried on. I, for one, classified them as illegal outlets for this reason: That anyone assisting in the sale of an automobile or anyone that sells an automobile must be licensed to the dealer for which he works and no other dealer.—I had no information as to the licensing of these people on June 28, 1960.

I attended a meeting at Perino's on December 15, 1960.

It was attended by members of the boards of directors of the three defendant associations. I believe Mr. Pollard [fol. 92] asked us to meet. He didn't tell us the subject of the meeting—just requested us to meet. It was pretty much a diversified, garbled-up meeting. They talked about legislation, they talked about discount houses, they talked about various and sundry subjects; they talked about our licensing laws, our bonding laws, and perhaps it might be well if we would do something about maybe acquiring new cooperation from the D.M.V., or perhaps even new legislation would help. There was quite an argument about the legislation. I remember that. Mr. Shammas, one of those present, went on at quite some length about not wanting any more legislation, that he felt that the automobile dealer already had enough legislation—nationally and statewide.

We thought that presenting the actual proof of purchase to the General Motors organization would prove to them that their action of asking dealers not to sell through unauthorized outlets—prove to them it was still going on. We were in hopes that it would bring them alive and create some action.

We decided to hire DeOrto because we could not at Losor continue to spare our secretary to go out and shop for automobiles, and neither could I afford to have one of my employees spending his time to gather the evidence [fol. 93] that we felt that we needed to present to Chevrolet. Therefore I informed the board of directors that as far as I was concerned, we could no longer do this. We bought the one car. Therefore it was suggested that we hire somebody more professionally inclined in that line outside of our own employees. Consequently, Mr. Eddie Hopper, who was a Chevrolet dealer at Garden Grove at the time, called me and informed me that this man Russell DeOrto was in a business called, I believe, Efficiency Research, that he would like to send him over to see me for an interview, because my directors had asked me to check into the possibility of getting an auditing company or someone to carry out this investigation. I asked Mr. Hopper to send Mr. DeOrto over to my dealership. He told me to judge for myself whether Mr. DeOrto was qualified for the job. He told me the line of business the man was

in, which at this particular point I don't remember, I think some sort of sales research. When he arrived there I talked to him in the presence of Mr. Johnson, and he said that he could do this type of work, and he would be very glad to.

I didn't tell DeOrto how long the job was going to last because I thought it would continue until we had proper enough evidence to submit to Chevrolet and perhaps take [fol. 94] other action through licensing that might turn up. We didn't know what would turn up, we didn't know whether these people were licensed or not, we didn't know if they had an automobile dealer's license, and we were concerned as to whether they had a license that would permit them to sell Chevrolets for some of the Chevrolet dealers.

None of the three defendant associations sell automobiles. That is not the function of the Association.

The Associations have Chevrolet dealerships as their members—it is a series of dealerships. Our Dealer Selling Agreement is a printed form. Each of the dealers signs a similar contract that has the provision against opening an additional outlet. While there could be variation in the length of time the contracts run, they are otherwise substantially identical contracts. When I sign my contracts, I rely on the fact that the other dealers are taking on the same obligation as I am.

General Motors does not give any direction to any of the associations as to actions they should take. General Motors does not attend Association meetings.

[fol. 95] To my knowledge, at no time did I or any member of our Association, or the other two Associations, ever use any pressure or coercion on any dealer to refrain from selling through discount houses.

[fol. 96]

MARTIN POLLARD

Designation by Plaintiff

I am an automobile dealer. I have a financial interest in the following dealerships: Pollard-Ravenscroft Chevrolet, Van Nuys; Rancho Chevrolet, Reseda; Pioneer Oldsmobile, North Hollywood; Century Oldsmobile, Van Nuys;

Casa de Cadillac, Sherman Oaks. I formerly owned Martin Pollard Company, a Chevrolet dealership in North Hollywood (now Montgomery Chevrolet) and part of the Pollard-Carroll Company, a Chevrolet dealership in San Fernando. I have been a Chevrolet dealer for about 40 years. I was president of defendant Foothill Chevrolet Dealers Association from 1940 through 1961, and now am honorary president of that group.

I presided at a luncheon meeting at Perino's restaurant on December 15, 1960. The meeting was attended by officers and directors of Losor Chevrolet Dealers Association, Dealers' Service, Inc. and Foothill Chevrolet Dealers Association. I recall the following persons from the following associations were present at the meeting: Robert Erskine, Ed Colliau, Roger Sorenson, Glenn Roberts, and George (Cap) Reade, Jr. (all of Foothill); Chester Henson, Owen Keown, and "Red" Cone (all of Losor); Warren Biggs, Wilbur Newman, and Nicholas Shammas (all of DSI).

[fol. 97] Q. Who called that meeting, sir?

A. Well, I don't know whether I can answer that. I will have to tell you how it came about. I was called by Mr. Henson of the Losor dealers and he said they wished to get together with the other dealers, the other associations. I volunteered if he would get hold of the Los Angeles Dealers Association [Dealers' Service, Inc.], that we would host it at Perino's. So it wasn't really called by anyone. I called our people, and I imagine Henson called his people [from Losor], and somebody from the Los Angeles Motor Car Dealers [DSI] called their people. So we all had a hand in it. No one person called that meeting.

Joint meetings of the officers and directors of the three Chevrolet dealer associations were infrequent and were usually called specially, involving matters of some importance to the automobile business. The meeting at Perino's started at about 11:00 AM and lasted until about 1:30 PM:

Well, Mr. Henson and Mr. Cone and the representatives of Losor who were present discussed the trouble they were having and experience in Orange County with discount houses and referral business, and the very bad effect it was having on their business, and wanted [fol. 98] to know whether we were having, you know,

similar problems in our associations. And they brought us some reports of some activities that had taken place in Losor on their own initiative. I believe they reported that they had done some shopping on their own.

Well, we felt after listening to the report from the Losor that we ought to set up a committee comprised of members from these three associations, and that this committee should go out and study this over-all problem, how it was affecting the Chevrolet dealers, and come up with some sort of a recommendation, what to be done about it. There was nothing decided exactly what we were going to do, that is why the committee was set up, to report back at some subsequent time as to what they felt ought to be done.

I selected the committee and appointed "Cap" Reade as its chairman. I believe I told Reade that "it might be a good idea to check in with the (Chevrolet) zone office."

Following this luncheon meeting at Perino's on December 15, 1960 which was paid for by Foothill I wrote a letter to Robert O'Connor, Chevrolet Zone Manager in Los Angeles [fol. 99] about the meeting. (Pltf. Ex. 119)

Cross-Designation by All Defendants

When Mr. Henson called me on the telephone to tell me that the Losor dealers wished to meet with the other associations, he said that they had developed some information at Losor that they thought would be of mutual interest to the other two associations and which he thought we would like to hear about. I did not go into detail. We dealers, if one group wants to get together, we will show up. We don't get a big notice on it. So that was the basis of his conversation with me. The directors of the three Chevrolet dealers associations don't meet regularly, but we have met on several occasions to discuss various matters pertaining to our business. These meetings are infrequent and called for special purposes. While Mr. Henson might have related that the information Losor gathered pertained to discount house activities, I can't say from memory that he did.

At the meeting on December 15, Mr. Henson, Mr. Cone and the representatives from Losor who were present discussed the trouble and experience they were having in Orange County with discount houses and referral services and told the meeting the very bad effect it was having [fol. 100] on their business.

Q. You say these gentlemen told you about the bad effect it was having on their business. Did they say they were losing sales because of the discount houses?

A. Well, that would have been the inference. I mean if it was bad, they were losing sales, it was interfering with their business, and they didn't like the cars to be distributed in this method. They thought it was bad for Chevrolet's reputation. They talked about a lot of bad things about the discount houses.

They didn't talk so much about the price that they were being sold for because we didn't think the discount houses in all cases were selling cars for any less than dealers were. We were selling them pretty close ourselves. They just felt it was a bad way to have Chevrolets merchandised. It was putting in another middleman. There was the factory, then the dealer, and then the discount house, and then you finally got to the purchaser.

Among the topics discussed at the meeting was the dealer selling agreement. That had been discussed many times; not just at this meeting. This was kind of a general subject of conversation from sometime back. I don't remember [fol. 101] who brought it up, but I believe there was some discussion concerning the fact that they felt that selling in this way was a violation of the contract. There was some discussion on the phase of the contract that had to do with establishing unauthorized sales outlets in territories other than that which the dealers occupied themselves.

Nothing specific was decided at the meeting concerning what we were going to do. That is why the committee was set up—to report back at some subsequent time what they felt ought to be done. I appointed the committee and I appointed Mr. Reade as chairman. The committee was instructed to make a study of this problem and recommend what we could lawfully do to protect ourselves against what we felt was unfair competition. We didn't instruct the committee to do any specific thing, other than to go out

and find out and report back to us what they thought ought to be done about it. I think I did say to Mr. Reade that it might be a good idea to check in with the zone office. As a rule, the dealers always sort of keep the zone office in some sort of contact with anything that we might be doing that affected them. They had an interest in this, we felt. I didn't tell Mr. Reade what to say at the zone office. I just told him that he ought to check in with the zone office.

[fol. 102] Previously I had talked to Mr. O'Connor several times on the phone and had brought this question up.

Q. You talked with him on the phone?

A. Yes, sir.

Q. Did you call him specifically to bring this to his attention?

A. When I called Mr. O'Connor up I usually had three or four things on my mind to talk about. I probably covered those, and we were always bringing this sort of pressure to the attention of Chevrolet, that we felt this was a violation and we would like some help.

Q. What did you expect Chevrolet to do about it?

A. Well, it was a violation of the contract. You know the contract is kind of ground rules by which all of us dealers had operated under for years, and this was one portion of it. As long as the rest of us were playing the game, we thought three or four others shouldn't be allowed to cheat on the rest of us and cheat on their franchise.

Q. You say you thought it was a violation of the contract, sir?

A. Thought it? I knew it was.

[fol. 103] As to how I knew it to be a violation of the contract I can give you a very dramatic incident for this particular part of the contract was brought home very close to my heart. Before 1948 or '49 I did not belong to the metropolitan dealers group. The dealers in the Valley were outside of that group, and this thing didn't apply outside of the metropolitan group. I had established—I had bought a corner lot in Studio City and I had a building on there. I had parts service, I had sales service, and I had mechanical service. Our agency in the Valley was brought into the metropolitan group and the zone office came to me and explained to me that we would have to shut that down, and we did, on the basis that it was a violation. And it

cost me thousands of dollars, so I have known about this a long time.

Q. That was your own building in Studio City?

A. Yes, sir.

Q. Operated by your own personnel?

A. That's right.

Q. Stocked with your own parts?

A. Yes. It had our name on it.

Q. You advertised that that was a place of business of Martin Pollard, Inc?

A. We just called it Studio City Branch.

[fol. 104] What I regarded as a violation of the franchise agreement was that a dealer was setting up a sales outlet in the metropolitan area other than his own place of business, and that is what is provided in the contract and forbidden.

Q. All I am asking, Mr. Pollard, is whether or not you people considered whether at the discount house there was a sign up there which bore the name of a Chevrolet dealer, or whether there was no sign—was that a thing you considered?

A. It wouldn't have made any difference to us whether this was a clandestine way of selling cars, or whether it was out in the open, it was still a violation as far as we were concerned.

The threat that discount house selling posed to me as a Chevrolet dealer in Reseda, Van Nuys or North Hollywood was that it was an extra outlet for the sale of automobiles. And the more outlets, the more people that could sell automobiles in any give locality, it just cuts the pie thinner. Anyone can understand that. The more outlets there are for so many automobiles sold, it just sort of dilutes the whole market. As profits are pretty well dependent on the number of cars you sell, the volume of cars, the existence of discount houses dilutes those profits. The more outlets [fol. 105] or the more places people can buy a product in a given area, it dilutes the amount of products that can be sold by any one outlet. That's one of the reasons I objected to discount houses. But on top of all that, I feel that there are ground rules that I am asked to live up to, and do live up to as a gentleman, and they should be lived up to by other dealers that have signed the same contract.

I don't see why some other dealer should get some special privilege that I don't have.

Sometime in the latter part of February, 1961, I, along with six or seven other dealers, met with Mr. O'Connor in the zone office. I think the conversation had to do with a car that had been purchased through one of the investigators and what to do with the car, how we are to dispose of it and that sort of thing. We kicked around whether one of the Associations would take the (resale) check or what should be done with the check, and then I said, I suggested that they send it to Mr. Cameron Aikens because he was an attorney for the L.F.D. and had other funds of the dealers, and that was agreed on where we would send the check. I did not notify Mr. Aikens that the check was coming. I intended to call him up afterwards but I forgot entirely about it. To my knowledge there was no suggestion made by anyone that the check be made out to General Motors Corporation. The reason the dealers didn't want [fol. 106] the checks made out to the Associations was because they felt that it was just an odd matter, where they didn't want to get mixed up in their books from the standpoint of bookkeeping. Remember, our treasurers are men who volunteer their time. They are dealers. They don't get paid for this. So we didn't want to bother them with this. We just sent it to a man who was getting paid for doing a little work for us.

Additional Cross-Designation by Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc. and Foothill Chevrolet Dealers Association

There were several reasons we wanted more evidence—to see what other dealers were engaged in this, and then we also had another thing up our sleeve. We also wanted to get some information to use for legislative matters, which had nothing to do with Chevrolet. And we did get some. Because we had a Bill—Assembly Bill 714 before the California Assembly at this time. It is called the Automobile Dealers Commission Bill. It was introduced on the 17th day of January 1961, and we needed more information to show what was going on.

We had to sell that Bill to the Assemblymen up there, and we had to show as reasons abuses that the public

was suffering because of poor merchandising practices, not only of discount houses, but dealers, and a lot of [fol. 107] other people in the industry.

Regarding the letter identified as Pltf. Ex. 119, wherein I stated, "I feel now that the long wait and indecision is at an end," I was referring to the last couple of years. I am more than a Chevrolet leader. I was chairman of the dealers of California Legislative Committee and we had been working on and trying to get dealers behind a good legislative program, so that was part of the thing that I was talking about, that the dealers were now exercised enough to back up their legislative committee, come up to Sacramento, take their time, spend their money and testify before the different sub-committees up there.

Regarding our shopping activities, we had agreed—the association agreed—to carry on this purchase program to get more definite information to take to Chevrolet Motor Company so they would know, so that it would be undisputable what was going on, who was selling cars through the discount house and what the names of the dealers were. . . . The objectives of the shopping service were two-fold. I think we were trying to uncover all the various methods that might be used by discount houses in a relationship with dealers, as well as finding out who the dealers were that were carrying on sales through discount houses.

[fol. 108] Q. You were trying to clarify which dealers were involved in discount house merchandising, as well as the various methods by which the cars got to the customer, to or through the discount house?

A. I think that's what we were trying to nail down.

Q. Those were the principal objectives of the shopping activities?

A. I said it was one of the objectives.

At a meeting in early March 1961, at Perino's, we agreed to put up \$5,000.00, and each association agreed to do the same, for shopping and other matters of interest, that we were going to use on our legislation in Sacramento . . . We had been assembling information for the legislative program a long time; not the Foothill Chevrolet or Losor, but through the Los Angeles Motor Car Dealers Association and the Southern California Motor Car Dealers Association, both of which groups encompass all kinds of car

dealers including foreign cars. It is our practice that if we take any legislation to Sacramento, that we do it in the name of the Los Angeles Motor Car Dealers and the Southern California Motor Car Dealers Associations, not Foothill, not just one group of Chevrolet dealers, but representing the entire industry. I am chairman of the Legislative Committee of the Southern California Motor Car Dealers Association, which group represent about 80 per [fol. 109] cent of the dealers in this area.

We were not going to Sacramento to attack the discount houses as such; we were going to try to get such legislation through that we could have better control over the discount houses by the State of California . . . We were going to try to have a Commission formed, like they have of the insurance people, so that we could control bad business practices.

The reason we took the legislation up was that we sent questionnaires out to all the dealers in the State of California and get them to vote whether they wanted us to take this legislation up, and because it was a majority vote we did. The activating heads of the proposal to establish a Motor Vehicle Commission and a commissioner to regulate the automobile industry were the Southern California Motor Car Dealers Association and the Los Angeles Motor Car Dealers Association, and the respective members of those groups, as distinct from Losor, Foothill, and Dealers' Service. You must remember that all these dealers in Foothill, Dealers' Service, and Losor were also members of the Southern California Motor Car Dealers Association and were supporting anything that they (the Associations) were doing.

We were going to put in that Act, and we did put in the Act, and this Act did pass the Assembly in 1961, that [fol. 110] every dealer had to be licensed, and every salesman had to be licensed, and under the regulations that we were writing into this Act a discount house could not do business, because they were not an automotive place of business.

I discussed the subject of enforcing the dealer licensing law with Mr. Genzer of the Los Angeles office, and with Mr. McCarthy, who at that time was head of the Motor Vehicle Department. The Motor Vehicle Department told the dealers that they would be glad to have us assist them

in digging up the various infractions of the law and reporting same to them.

One reason we were proposing new legislation was to take the place of and strengthen the approach of the existing law. There was to be a Motor Vehicle Commission. It would be a part of the Motor Vehicle Department, but it would be in charge of enforcement, and in charge of putting out dealers' licenses and salesmen's licenses, and all of that . . . The Bill was passed by the Assembly but was not enacted at the session of the legislature as the Senate referred it for further study . . . We expect to put the Bill in again with some changes in it.

Reply Designation by Plaintiff

Q. When we asked you before the grand jury whether you thought it was wrong for other dealers to sell to [fol. 111] discount houses, why didn't you say at that time that you thought it violated the franchise agreement?

A. Well, sir, when you appear before one jury, and then six months later questions are asked differently, you don't quite give precisely the same answers on the thoughts you had in your mind.

Q. Mr. Pollard, in all the time you testified before the grand jury, 40 pages, did you once there before that body mention that selling through discount houses was in your judgment a violation of the franchise agreement?

I will turn the transcript over to the defendants if they can find any reference to that.

A. You don't have to do that. I don't think I did, because I don't think that was a question brought up, or you asked me any question that would have brought that out from me.

Q. Didn't we just ask you, "Did you presume it was wrong for other dealers to sell to discount houses?" and you answered, "Well, I think so. I think that has been in the minds of a lot of dealers for a long, long time, that it was wrong, there was no profit, the dealers couldn't make any profit in it, and there was a certain amount of annoyance that came from it, customer "dissatisfaction, [fol. 112] which we didn't like as an overall body"?

A. Are you asking me—

Q. There is no mention there about it being wrong

because there was any violation of the franchise agreement, sir?

A. I didn't try to mention all the things that were wrong; I just mentioned some of the things that were wrong.

Q. This morning you mentioned the franchise agreement a half a dozen or more times. Today you think it is very wrong, don't you?

A. It isn't any more wrong today than it was then. I just didn't bring the thing into my testimony, that is the only difference.

Q. Where you hiding it from somebody at that time?

A. Sir, I was not hiding it from anyone.

Q. Isn't it a fact that the alleged violation of this Dealer Selling Agreement is an afterthought which was conceived after this indictment was returned by the grand jury?

A. I think that was talked about as long ago—before the meeting of December 15th, we talked about that as one of the methods which we might be able to use to get these dealers to comply.

[fol. 113] Q. You failed to mention a single time in testifying before the Grand Jury, that you thought this (discount house) activity violated the dealer franchise. I ask you whether or not you can explain that failure to so testify.

A. I think I have already explained it once. When you are testifying and you are talking about a situation, it is not possible that any human being is going to mention all the things that are wrong, you just mention part of the things that are wrong.

[fol. 114]

LAWRENCE H. AVERILL

Designation by Plaintiff

My name is Lawrence H. Averill. I live at 1532 Tottenham Road, Birmingham, Michigan. My present position is General Sales Manager, Chevrolet Motor Division, the position formerly occupied by Kenneth Staley during the time in question here. In about June 1960 I was appointed Executive Assistant General Sales Manager of Chevrolet. My duties were working with Mr. Staley and the five Assistant General Sales Managers. I have been with Chevrolet since 1929.

The situation in connection with the sale of Chevrolets through discount houses and referral services in Southern California first came to my attention when the wires or letters started coming in, in quite some volume, which I would estimate possibly along in November 1960.

I believe I discussed with Mr. Mays (Assistant General Sales Manager in charge of the West) whether or not this matter had reached such proportions that the Central Office wished to review the entire matter possibly with the legal department. The substance of our discussion was that it is our policy when wires and letters come in, to answer them as quickly as possible. And inasmuch as here was something that was considered very serious and was [fol. 115] spread to the Corporation, as well as the Division, that we should check with the legal department. We asked the legal department for guidance and help in replying to these letters and to assist in the analysis of this whole program and give us guidance.

On December 14, 1960, we had a regional managers' meeting in Detroit attended by Mr. Staley, the assistant general sales manager, I believe all our regional managers, and I would say probably most of our Central Office department heads. Mr. Cash, Pacific Coast regional manager, was present and I was present. The topic of discount houses was discussed. This discussion was very short in relation to the other matters we discussed. It was to acquaint the Regional Managers with the scope of this activity, and in a broad sense the two types that we basically knew about, and the deep concern that it had brought about among the salesmen and dealers in that area, that we literally received dozens and dozens of letters and wires, and we were very much concerned about the possibility of losing some of our salesmen. There was a morale problem, and we were very much concerned with what this type of program could do to the good will of our product, and the standing, reputation of our own dealers, and the effects it could have on our franchise system. And that this [fol. 116] matter had been referred to the General Motors Sales Section; that we were waiting for their position and decision. As I recall, we received it that evening. Following this meeting I talked to Mr. Cash about the subject of discount houses in the Southern California area. I had been asked that we handle the follow-up and contacts with

dealers in regard to the Staley letter (Pltf. Ex. 121) as early as possible. I said to Mr. Cash, number one, that this letter was forthcoming; number two, that we were to make follow-up of this letter with all dealers in the Los Angeles Zone; number three, that these follow-ups were to be made as quickly as possible and at management level; fourth, Mr. Cash, having been the Zone Manager here in Los Angeles, I felt that he could be of material help, because, here was a lot of dealers to be contacted quickly—help with the Zone in a job breakdown.

I no doubt discussed with Mr. Cash the possibility of his contacting as many of the dealers as he could who were selling to the discount houses, giving consideration to geography and mileage and time. I instructed Mr. Cash to get together with Mr. O'Connor and the city managers, and possibly the Assistant Zone Manager, and go into a job breakdown to make contacts as quickly as possible with substantially all the dealers in the Los Angeles Zone after [fol. 117] the dealers had received the Staley letter (Pltf. Ex. 121), and to sit down and read this letter and discuss it with him. Mr. Cash was to personally contact as many as were selling through discount houses as he could, and at the same approximate time Mr. O'Connor and the Assistant Zone Manager or City Manager were to contact the rest.

I instructed Mr. Cash to meet with the dealers because I felt his long acquaintance and his position would lend importance to our position in this matter, and would lend emphasis to those dealers, of our concern. I hoped that he would be more effective than Mr. O'Connor, or the City Managers, or the Assistant Zone Manager in selling the position of the Corporation and Chevrolet that dealers should not sell through discount houses and referral services. I asked Mr. Cash to read this letter with the dealers and discuss it, and ask the dealer to read it to his sales people.

Q. Did you designate the other Regional Managers to meet with dealers on the same basis as you designated Mr. Cash?

A. They were not involved in the same situation, so I talked with no other Regional Managers on that. The

problem at hand was the letters and wires we had received and were laying there.

[fol. 118] Q. From Southern California?

A. In the Los Angeles zone, Southern California.

Cross-designation by All Defendants

I have been closely associated with the growth of the motor car industry in the course of my career. My dad was associated with a firm which had a Buick, Oakland, Essex and GMC Truck Agency. After I graduated from the University of Vermont I went to work for Delaney Chevrolet, a Chevrolet dealer in Hartford, Connecticut. I was a retail salesman there until a year later when I opened up Averill Chevrolet Company, a franchised Chevrolet dealership in East Hartford. I stayed there until March 1929 when I went to work for Chevrolet Motor Division. My first position with General Motors was what they call a factory representative. I have been in car distribution and organization ever since. In 1931, possibly May, I was made Zone Car Distributor and Office Manager at our Tarrytown office in New York.

I believe late in 1932 I was transferred from the Zone to what was called the Atlantic Coast Region where I was on car distribution and organization work.

In January of 1934 I was transferred to Chevrolet Central Office as Assistant Manager of the Market Analysis [fol. 119] Department, as it was called then.

Approximately in March that same year, I was made manager of the Consumer to Factory Department and working directly with the General Sales Manager, Mr. W. E. Holler.

Possibly in October 1937, I was made Zone Manager of Chevrolet at Columbia, South Carolina and, in March 1938, Zone Manager of Chevrolet in Jacksonville, Florida.

Sometime in December 1938, I was made Zone Manager at Syracuse, New York.

In the fall of 1940, I was made Zone Manager of the Pittsburgh Zone located in Pittsburgh, Pennsylvania.

On January 1, 1945, I was made Assistant Regional Manager of what they call the Southeast Region, in Atlanta, Georgia.

In possibly the late spring of 1948, I was made Assistant

Regional Manager of the Eastern Region, located in Washington, D. C.

In 1950, possibly in May, I was made Manager of the Metropolitan City Department at our Central Office in Detroit.

I believe in August or September 1954, I was made National Fleet Manager for Chevrolet, still in Central Office in Detroit.

[fol. 120] In 1955, the latter part of August or early September, I was made Regional Manager of the Eastern Region, located in Washington, D. C.

In May 1959, I was appointed Assistant General Sales Manager, Chevrolet, in the Western Half.

In September of 1959, I was made Assistant Sales Manager in charge of the Eastern Half.

I would say perhaps the first of June, 1960, I was appointed Executive Assistant General Sales Manager of Chevrolet; and September 1, 1962, General Sales Manager.

Q. In connection with your career at General Motors, and before, did you become familiar with the progress of the Chevrolet merchandising plan?

A. Well, I had lived with it. Yes, sir, I did.

My duties as Executive Assistant General Sales Manager involved working with Mr. Staley and each of the five Assistant General Sales Managers, which would reach into every department of the Sales Department in Central Office. That assignment also brought me in frequent contact with other departments, other than Chevrolet, which would involve manufacturing, accounting, auditing. When Mr. Staley was not present, I was in charge of the operation.

[fol. 121] With the stock market crash in 1929, in 1931 and '32 the automobile market took a terrific drop. I think it was brought out at that time that when we hit a recession the automobile market dropped deeper and heavier than many other goods; so as a result there was rather a high dealer mortality in many sections, following the crash of 1929. Chevrolet, I don't believe, sustained many losses, as I think back on the figures, but I do know there were very substantial losses in the dealer body as a whole, industry wide. So it was agreed that if we were going to build a strong dealer organization—someone who could be

out there to service our product in good times and bad—that there had to be a scientific plan of placement of dealers.

My first assignment in coming in from New York to Chevrolet's Central Office, in January 1934, was to join a group of men in making studies of markets. I worked with the metropolitan group. There was another group working in the rural areas, building a library up on registrations, on sales, on markets across the country. I well remember at that time Mr. Staley who was working up the financial information on the dealers in these same areas.

From these studies, and from the history of our experiences in Chevrolet and in the industry, there was developed [fol. 122] the Quality Dealer Program. The principle of the Quality Dealer Program was to have outlets convenient to the customer, but in size and in numbers to be in keeping with a weighted potential market average. That weighted potential market average was given the name "Planning Potential." Out of this was developed survey crews which went across the country as fast as they could; —and out of it was born our merchandising marketing program that we have today. That program was to have a sufficient number of outlets that would conveniently serve the customers, that would not destroy competition between the dealers themselves, but would bring a sufficient amount of stability into our operation where these dealers over a given cycle could enjoy and expect to enjoy, or had the opportunity to enjoy a reasonable return on their investment.

The average dealer does not make money in his service, or even in his service and parts departments combined, so he must look to gross profits and profits from new cars to survive. That is still true today.

Where there are too many dealers in a given market, that's where the failures took place. Those were the communities that suffered—where there were too many dealers, because through these additional outlets and the number [fol. 123] of outlets, the market was diluted to the point that the dealers could not get enough profit coming in from new cars to maintain their place of business.

So that we feel that with our quality dealer program and our plan of merchandising and marketing, it is very

vital to our being able to not only sell our cars but to establish places of business that will maintain those cars.

In the setup of our dealers, we made no attempt to eliminate competition among our dealers.

Our program, from its very inception, recognized that a man could live in one location in a city, he could work in another location of the city, perhaps his household would shop in a third location and he may go to church in a fourth location. But we also knew that if a dealer properly served these owners in the broad sense, he could expect a reasonably high percentage of the people living in a reasonable radius of his place of business to buy from their dealer. We found that people would travel quite some distances on price, and that will always be true to some extent, but they will also evaluate service and if a dealer is giving good service and he is competitive, the majority of the people that make the decision to buy a Chevrolet will buy from him. But he must be competitive. If he isn't [fol. 124] competitive, then the people will go to another dealer and he will eliminate himself, or we hope find out his weaknesses and strengthen his operation to where he can be competitive.

Our owner research studies show that how the car performs in the hands of the owner is a tremendous factor in whether he buys that car again, and also of what he says to his neighbors, relatives and his friends.

We learned a long time ago that you not only must design a product that is competitively priced and will meet the needs, the wants, the desires of the buyer, but you must support that product with good service. We are selling a complicated piece of machinery. Each year it becomes more complicated, and we recognized that we were going to bring into play in our product the things that were being developed in our research laboratory. We couldn't bring them into play until we had a dealer organization out there that had the tools, the facilities, the trained mechanics or technicians that could fix our automobile if there was a failure.

If we were going to progress and become competitive, we had to have out there a dealer organization that had sufficient proper profit opportunity where they could supply

[fol. 125] facilities, could stock parts, purchase special tools and have trained technicians.

Service is a very vital thing, not only from the standpoint of having a car that is operative, but there is also a very serious safety factor, because if a car is not properly serviced and not properly maintained, it becomes a weapon. No time or effort is spared on the part of Chevrolet or General Motors, with training centers located across this country, to train our people to properly serve owners.

I recognized; when these letters complaining of discount house activities in the Los Angeles area came in, that here was a situation that was an industry problem and certainly a General Motors problem. Shortly after the receipt of these letters the whole activity was given quite a bit of visibility through the trade papers, and whenever we have an operating problem that reaches into all the Divisions of General Motors, it is referred to the Sales Section of General Motors and it becomes more or less a policy matter. The Sales Section at that time was directly under Mr. Crawford, who in turn reported to Mr. Roche.

Mr. Staley and I were very much concerned about the [fol. 126] whole matter. Because we felt that here was a serious challenge to our method of operation, and here, as I recall, were some salesmen threatening to leave the dealership and the dealers, themselves, very disturbed, which doesn't lend itself to good merchandising.

I knew from the wires and letters and from what information I had gleaned that here was an operation that could very seriously upset our entire plan of merchandising, which would be very serious to Chevrolet.

Along in December of 1960, Mr. Staley was very concerned, the same as the rest of us were, on the delay and the time that it was taking to get guidance and advice from the Corporation and our Legal Department. We had these many letters and wires, and it has been our practice and policy through the years to try to answer all correspondence from our dealers in a prompt way, and weeks had passed; and we were concerned in not getting letters back to these dealers.

With respect to Mr. Staley's concern, here is a man that had worked day and night and spent about a million dollars in developing an owner relations program, and work-

ing and doing everything we could to lift the good will of our product with our customers, with our owners. Here was something that he felt, and we did, too, could destroy [fol. 127] the very thing we had been working on. And through this program we had raised the owner loyalty to a new all-time high in Chevrolet, second only to Cadillac in the industry, and we knew something like this, if it continued, could destroy it, and were concerned about it.

Q. How did you know that, Mr. Averill?

A. How do I know that?

Q. Yes.

A. I know that from over 30 years living and working in this business.

Q. Do you mean it was your opinion based on the facts you then knew that if discount house merchandising continued, there would be some sort of calamity?

A. I recognized certain basic factors and basic things in there that I had lived through in this business in years gone by, a similarity that would produce the same effect, the same result. I didn't have to read it out of a book, Mr. Blecher; I was there, I lived it.

Q. What result are you talking about, sir?

A. I am talking about multiple outlets, too many outlets in a given market. I had seen the effects of that in every recession period we had, following World War I, following the stock market crash in '29, I saw it again in [fol. 128] '37 and '38. And where there were too many outlets in a community in relation to the market, I saw dealers fail and go out of business.

Mr. Blecher, I had the opportunity in riding the field to visit many towns where there was no dealer following some of those periods, no dealer. Many times the one dealer left.

At one time I devoted many months in research and study of this very thing. When I was moved from New York to Detroit, made Assistant Manager of Market Analysis Department, my first assignment was to build a library and do research work on the relation of outlets to market in every metropolitan city in the United States.

I believe that a branch location under the Selling Agreement could be established in many different ways. When there is a location where people can go to and buy and be

told about Chevrolet, that is an outlet—under my interpretation of it. It may not be a part of the dealer's personally owned place of business, but if he has an arrangement with a wholesale house or a discount house, he has established an outlet. When a discount house is operating under an agreement with a Chevrolet dealer that makes another outlet for that dealer, an established outlet, be-[fol. 129] cause there is advertising there,—it is a place of business where someone can go in and buy a Chevrolet.

Q. Would you say then, it would be a Chevrolet Motor Division place of business?

A. I would say it would be a Chevrolet—an automobile merchant's place of business operating under an agreement with Chevrolet Motor Division.

At the Regional Managers' Meeting on December 14, 1960, no one gave a "report," as such, on discount houses, but it was a topic of discussion. This West Coast activity had become a topic of discussion and concern among most of the dealers across the country, so that we felt that it was very much in order to acquaint the Regional Managers with what was going on, and that we had asked General Motors to give us a direction as to it, and Mr. Staley, I know, mentioned at the time he was very much concerned with the time that had elapsed between receiving letters and wires from dealers and getting an answer out to them, and that he had hoped and been able to read to them General Motors' position in this matter at this meeting. The position was not available to us during the meeting itself, but, as I recall, in the evening a letter was brought down [fol. 130] from the Corporation and I believe Mr. Staley read the letter to the group.

I had previously been advised by the Sales Section that in this letter the Management was going to be asked to make contacts with all dealers and review this letter, and the contents in the letter. I had also been informed that this letter was not going to the sales managers or salesmen, that this letter would be directed to the dealers, and that the letter to the dealer would have to serve as the answer from General Motors or Chevrolet to the salesmen and sales managers.

I had also been asked that we handle the follow-up and contracts with dealers in regard to this letter as early as

possible. And I was very conscious of the number of dealers involved and the limited number of people that would be assigned to make these contacts. So in talking with Mr. Cash following the meeting my purpose was to give him as much advance notice as I could, and he helped our personnel organize to do this job, which was a big job.

I instructed Mr. Cash that when he was meeting with dealers who were selling through discount houses or referral services to read the Staley letter (Pltf. Ex. 121) with them. I wanted to make sure the dealer had read it. Sometimes, from experience, people are a little slow in [fol. 131] getting to their mail, and sometimes they study a letter and sometimes they just glance at it. We wanted to make certain that the dealer understood every line in that letter.

I had hoped that as a result of these conferences the dealer would understand just what is good basic business; what was good for the product; for his customers; for himself; for Chevrolet; for the industry; to discontinue that type of merchandising. But it was up to him to make his own decision, up to the dealer. I thought the letter pointed up very well to the dealer the seriousness of this type of merchandising, from a business standpoint and from a legal standpoint.

It is not relatively unusual for the Regional Manager to hold personal and private meetings with a Chevrolet dealer. I was a Regional Manager and very few weeks ever went by in my life as a Regional Manager that I didn't have contacts with dealers. We would talk about the whole business for I am interested in the market, I am interested in competition, I am interested in the rivalry he may be confronted with. I am anxious to know what the situation is—what we can do for him, to help sell more goods; are we taking care of him from the standpoint of product and distribution? Are our sales helps, our programs, our sales activities, our service programs fitting [fol. 132] his needs; what can we do to help him be a better dealer, sell more goods; build more good will and make some money doing it?

I told Mr. Cash to read the letter to them as submitted and prepared by the Corporation and to confine the discussions to the terms of that letter. I did not specifically

instruct Mr. Cash to tell the dealers with whom he met that they were violating their Dealer Selling Agreement. I felt the letter spoke for itself.

I believe the letter coupled with the provisions of their Selling Agreement would enable them to evaluate very well their own practices.

Q. What did you expect Mr. Cash to accomplish by this series of conferences with the dealers who were selling to discount houses that he was holding?

A. We were hoping that the dealers would see, in the contents of this letter, the dangers that existed to the good will of our product, their own community standing, their own position, their own business, and would want to discontinue doing business that way.

Q. Why did you trust to his judgment or evaluation? Why, if you really believed that he was violating the agreement, why didn't you tell him so?

A. Mr. Blecher, we try to sell our dealers and not tell our dealers. And we were following in this case the same [fol. 133] practice that we had followed for many years, and that was to go in and sit down and reason with our dealers, what was good business, what was the right thing to do, and then hope that they would do that of their own free will and accord. And if they didn't do that, then it was our responsibility to go in and sit down and reason again, and again, and again.

Q. Why do you have an agreement that is terminable for cause?

A. There is a length to the time, there is a length of patience and understanding, but we do not go in and wave our contract in front of the dealer. They are our friends, they are our outlets, they are our customers. We try to sit down with the dealer and reason out what is the right thing to do.

Q. Don't you think it is the right thing to do—don't you think it is fair and honest to tell them, "We think you are violating your Agreement"? Is there anything so horrendous about that? I didn't ask you to wave the contract in his face.

A. Mr. Blecher, on these initial contacts, with a situation involving a whole city, a whole zone, our approach would first be to go in and cover the situation as we saw

it and give him the thinking of General Motors, the thinking of Chevrolet. We didn't know all the particulars of [fol. 134] these arrangements that might exist with each individual dealer. So our initial contact was to go in and give him our position, our thinking, the reasoning back of the thing. Then hoping that he would sit down and of his own good reasoning and fairness decide what is the right thing to do. But it had to be his decision.

Q. And the dealer was to decide for himself on the basis of the letter and his Dealer Selling Agreement whether or not he would be violating the terms of the Dealer Selling Agreement?

A. In these initial contacts we left it up to the dealer to make his own decision.

Q. Who drafted the Dealer Selling Agreement, Mr. Averill?

A. The Dealer Selling Agreement, Mr. Blecher, has been hammered out over a period of many years. Chevrolet dealers have had, and General Motors dealers have had, an awful lot to do with the contents of that Agreement through their dealer committee system, through the General Motors President's Council, through their own reports in to us and recommendations, so our Agreement is a by-product of practical experience in working together with our dealers as team-mates, so that much of the Selling [fol. 135] Agreement today is contributions made to us through our dealers.

General Motors does not have a membership in any of the three defendant Dealer Associations. General Motors people are asked not to participate in Association affairs. General Motors does not have any part in the operation or control of any of these three Associations.

[fol. 136]

FRANCIS J. BRUDER

Designation by Plaintiff

My name is Francis J. Bruder. I live at 4566 Greenbush, Sherman Oaks, California.

Bruder Chevrolet is a corporation which has been operating as a Chevrolet dealership at 5950 Hollywood Boule-

vard, Hollywood, since its incorporation on September 1, 1957. The capital stock of Bruder Chevrolet has been owned by the Motors Holding Division of General Motors Corporation and me. Since about 1960, I have held the controlling stock interest. As of December 31, 1960, my stock interest was valued at \$125,000. At its incorporation, I was elected the President of Bruder Chevrolet by the Board of Directors. I manage the dealership and make the business decisions.

In the calendar year 1960, Bruder Chevrolet made a net profit of \$163.94 on an investment of over one-half million dollars.

Bruder Chevrolet buys its entire supply of cars from General Motors. Most of the orders Bruder Chevrolet places for cars follow an order taken from a customer for a specific model car.

[fol. 137] Bruder Chevrolet is a party to a dealer selling agreement with the Chevrolet Motor Division of General Motors. This agreement is sometimes referred to as a "franchise agreement."

Q. Mr. Bruder, will you tell us how you negotiated the agreement of November 1, 1960?

A. Mr. Blecher, I don't believe I remember how it was negotiated, how the agreement was negotiated. No more than I do any of them that I have ever signed.

You read it, you read the contract or you read the agreement and you sign it.

Q. That is as the letter says, you either accept the agreement or you reject it; is that right?

A. That's right. It is your prerogative.

Q. You cannot negotiate about changing any of the provisions or any of the language in it; is that right?

A. You don't, no, sir.

Q. So that Chevrolet submits the agreement to you and you either sign or cease to be a dealer?

A. Well, I wouldn't go that far as to say you cease to be a dealer. You sign it if you want it, if you want the contract; if you want the franchise, you sign it. It is well in bounds.

[fol. 138] You always read it first. Everything that you sign you read.

Q. Can you change what you read?

A. No, sir. I never have.

Q. So that there isn't any negotiation in connection with the execution of this agreement in the ordinary sense of the word "negotiation," is there?

A. I have never attempted to negotiate on it.

Bruder Chevrolet began doing business with Dealers Diversified Services, Inc. (hereinafter referred to as DDSI, but formerly known as Autoresco) in or about October 1957. The basis of this business relationship is set forth in Pltf. Ex. 149. Each succeeding year at about the time the new models were introduced, I renewed this business relationship with DDSI (See Pltf. Ex. 150 for the model year 1959; Pltf. Ex. 151 for the model year 1960; and Pltf. Ex. 152 for the model year 1961). I entered into these agreements each year to increase sales. I understood how the arrangement with DDSI would work, to wit: a potential customer would make inquiry of a DDSI representative at one of the Fedco stores in which DDSI operated and would be referred to see a specifically designated sales-[fol. 139] man at Bruder Chevrolet; my salesman would quote the potential customer a price, would evaluate the trade-in and do all those things he would ordinarily do if the customer had walked in off of the street.

Neither I nor Bruder Chevrolet owned any part of DDSI or Fedco; we had no employees at the DDSI or Fedco places of business; we had no telephone listing at the DDSI or Fedco locations; we had no cars on display there; we did not advertise that cars could be purchased from Bruder Chevrolet at any DDSI or Fedco location; we never furnished DDSI or Fedco with any literature on Chevrolets; we had no sign or banner bearing either Bruder Chevrolet's name or the Chevrolet name posted at a DDSI or Fedco location; we did not control any aspect of the DDSI or the Fedco business. Bruder Chevrolet paid DDSI \$50.00 for each car we sold to a DDSI referral. The price at which Bruder Chevrolet agreed to sell to DDSI referrals was based on the prevailing market price throughout Los Angeles on purchases of Chevrolets through discount houses and referral services; Bruder Chevrolet had to compete with other Chevrolet dealers price-wise in order to retain this business.

In the calendar year 1960 Bruder Chevrolet sold 1362 new Chevrolet automobiles and trucks; of this total Bruder Chevrolet sold about 250 cars and trucks to DDSI referrals; thus about 18% of our new car and truck sales in 1960 were to Fedco referrals. I regarded the DDSI business as being just as profitable as most of my non-referral retail business and more profitable than fleet business (volume sales to large commercial or governmental users such as Southern California Gas Company, the County of Los Angeles, etc.).

Q. Did you consider, in the year 1960, that you might be hurting your brother dealers by making these sales of 250 cars through Fedco?

A. Never thought of it.

Q. You were concerned about Bruder Chevrolet and trying to get it on the black side of the ledger, Mr. Bruder?

A. Always looking out for Bruder Chevrolet.

Q. That is Mr. Bruder's first concern, and should be, isn't it?

A. That's right.

In late December 1960 or very early in January 1961 I instructed the personnel at my dealership to discontinue selling automobiles to DDSI referrals. It was at that particular time all of the dealers selling to referrals had quit selling to referrals, the discount houses, so I went along with them and therefore I told Mr. Adams, who was [fol. 141] handling it, to shut it off. Just before issuing these instructions I met with Mr. Roy M. Cash, Regional Manager, Pacific Coast Region, Chevrolet Motor Division, whose offices are in Oakland, California. The meeting took place at the Los Angeles Zone Office of the Chevrolet Motor Division, located on Wilshire Boulevard, and was arranged via a telephone call to me from Max Young, a City Manager for the Los Angeles Zone.

No one but Mr. Cash and I were at the meeting. I cannot recall any time prior to this when I had occasion to meet privately with a Regional Manager of the Chevrolet Division. At the meeting Mr. Cash read me a portion of a letter that he had on his desk about discount house selling, how it would affect the overall operation of all dealers nationally. I concurred that these things were right. Knowing how strongly he felt in the Region about disposing of

discount house and referral selling, I went along with it.

At the meeting with Mr. Cash, I told him that in a couple of days I would let him know whether I would discontinue selling through discount houses or through DDSI. A couple of days later I let him know by telephone. I told him I would stop selling through referral or discount house selling.

[fol. 142] Q. How do you know that Mr. Cash felt so strongly about it?

A. Well, I know Mr. Cash, and I have known him a long while, and when he talks to you you know what he means and he knows what you mean. We don't have to put it all on paper—never have.

Q. Did Mr. Cash tell you that your doing business with Fedco (DDSI) was a violation of the Dealer Selling Agreement?

A. I don't believe he ever told me that, no, sir.

Q. He did not tell you that?

A. I don't believe so. My recollection was that he didn't say that; I am not sure at this moment.

Q. Did he say in substance or effect, "The Chevrolet Motor Division thinks that this type of selling is a violation of your agreement"?

A. Well, it was stated in a portion—

Q. I asked you what he said, sir? I am not talking about the letter. I am asking what Mr. Cash said.

A. No. He did not say that. I believe that it was stated in the letter he read. Now, reading and saying it is almost the same thing.

[fol. 143] Q. Did Mr. Cash tell you that "I can't tell you what to do with your cars"?

A. He said that Chevrolet can't tell me what to do with—Chevrolet cannot tell me what to do with my cars after they are purchased by me.

Q. He told you that?

A. That is right.

Q. What did you understand, Mr. Bruder, was the purpose of Mr. Cash meeting with you in this way?

A. Well, just to bring to my attention or whoever else he talked to, if he did talk to anybody else, about the discount house and referral selling and operation.

Q. Did you understand the purpose to be that it would

be in your best interest to cease doing business with discount houses?

A. Well, I felt that way.

Q. Did you feel that that was the point that Cash was trying to make in the course of this meeting?

A. Well, we wouldn't have had discussion about it if he wasn't trying to make that point, I don't think.

[fol. 144] Q. And you understood that point at the time of the meeting, did you not?

A. I am sure that is the point we were counseling about, yes.

Q. So that the conference you had was a very important factor in making up your mind, was it not?

A. Probably helped. But it wasn't entirely the focal point.

I was thinking of ending my dealings with DDSI before the meeting with Mr. Cash because I wanted to get the business back on a legitimate basis and probably to make a little bit more money. Which has happened.

At the meeting with Mr. Cash I told him that if I was going to stop selling in this manner, I thought the rest of the dealers should stop also. Cash told me that he felt certain that the other dealers would discontinue dealing with discount houses and referral services as well. I left this meeting with the impression that every dealer who had been doing business with a discount house or referral service would soon quit. I knew that Warren Biggs Chevrolet was also doing business with DDSI, but I recall no conversation between Mr. Biggs and myself in respect to [fol. 145] whether Biggs was going to end his dealings with DDSI.

A letter (Pltf. Ex. 153) addressed to DDSI from Cecil Glover, General Manager of Bruder Chevrolet, dated January 3, 1961, was written pursuant to my instruction to Mr. Glover that he advise DDSI that we would accept no further referrals. The letter states, in part:

It is with regret that due to circumstances beyond our control, we will be unable to sell new Chevrolets on a referral basis, as outlined in our letter dated October 1, 1960.

In January 1961 I received a telephone call from Bruce Jermyn, one of the owners and the general manager of Courtesy Chevrolet. Jermyn told me that one of his people had shopped Bruder Chevrolet and that we were still honoring Fedco referrals. Jermyn asked me to come to his office. Mr. Adams (my salesman in charge of DDSI referrals) and I went to Courtesy Chevrolet. Jermyn and two other employees from Courtesy Chevrolet were present. We talked about referral business and that we all had decided to not do business on referrals and discount houses, and they had just checked on it and they found we had done it in one case. So I explained to Mr. Jermyn that I didn't [fol. 146] know about it, but certainly it was handled and it wouldn't happen again. That was enough for him, so we dropped it at that point.

After that time, Bruder Chevrolet did not honor any more DDSI (Fedco) referrals.

Cross-designation by All Defendants

When I entered into the agreement of October 30, 1957 with Autoresco, Pltff. Ex. 149, I was fairly well aware of what their physical facilities were and just how the referral system would operate. They had an office adjacent to the Fedco store on West Slauson, as I remember it, and they had a secretary, and I believe Mr. DuPuie was there. Customers would come in who were Fedco people, federal employees' credit people. At that time I believe they were the only people that were able to get a Fedco card and were able to get a referral through Autoresco. Later on most anybody could get a card. In 1957 the Fedco employees would come into that office and if they wanted to buy a Chevrolet they would be referred to one of the dealers that handled Chevrolets on a referral basis through Autoresco.

As to whether I felt that it was in my best interest to discontinue doing business with discount houses because Mr. Cash wanted it that way, I felt that it was in the [fol. 147] interests of everybody in Chevrolet including myself.

With respect to Pltff. Ex. 153 (Mr. Glover's letter of January 3, 1961 to DDSI stating, "It is with regret that

due to circumstances beyond our control, we will be unable to sell new Chevrolets on a referral basis, as outlined in our letter dated October 1, 1960"), I did not authorize Mr. Glover to send that letter. I told Mr. Glover to advise DDSI that we no longer were going to do any business and that is what he wrote.

Q. Mr. Bruder, what are the circumstances beyond your control which made you unable to continue selling on the basis of your October 1 agreement with Dealers Diversified Services?

A. Mr. Blecher, I just mentioned a little while ago that I told Mr. Glover to advise Dealers Service, and this is the letter he wrote. The "circumstances beyond our control" that he put in there, I don't know what he was referring to.

Q. Do you know of any reason at all why Mr. Glover says, "It is with regret that due to circumstances beyond our control, we will be unable to sell new Chevrolets on a referral basis"?

[fol. 148] A. I don't have any reason why he should write that in there. What he was thinking about, that is his—he used his own mind in this letter.

I just advised him to advise Dealers Service, Dealers Diversified Services.

Q. Do you know any facts, Mr. Bruder, in respect to your operation which would have justified Mr. Glover in saying to a business associate that he had to stop dealing "due to circumstances beyond our control"?

A. No facts.

Q. You don't know why Mr. Glover chose to use these words, you don't know that?

A. I don't know why he chose to use those words, but I told him to advise these people, and that should be all that is necessary. I run the dealership; that is a fact.

Q. Now, it says here, "It is with regret." Did you tell him to say that "We regret this"?

A. Mr. Blecher, I didn't tell him to say any of that.

Q. So that it was not, in fact, due to circumstances beyond your control that you did discontinue doing business with Fedco?

[fol. 149] A. The only thing I can say to that is the fact that I told the man, my general manager, to advise Dealers

Diversified Service we were no longer going to do business with them, and that was it, period.

Ninety per cent of the technicians (mechanics), as well as the Service Managers and shop foremen, employed by Bruder Chevrolet in its service department have attended the service school run by the Chevrolet Motor Division at the General Motors Training Center in Burbank, California. A new mechanic, whom we realize is a good man, is sent to this school as quickly as possible "because we want them to have all the knowledge we can about the Chevrolet products so that we can do a better job for our customers."

Additional Cross-designation by Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Chevrolet Dealers Association

Dealers' Service, Inc. is an association of Chevrolet dealers. They have a trading bureau which Bruder Chevrolet has always used. We dealers trade all the time. Dealers' Service, Inc. also carries on certain advertising for the dealers. To my knowledge there was no blacklist or any differentiation made between dealer members of Dealers' Service who sold through discount houses and those who did not. At no time did Dealers' Service take any action or request that we discontinue selling through discount houses, and at no time were we deprived of any of the benefits or services of Dealers' Service. At the time Bruder Chevrolet was selling through discount houses I was elected a director of Dealers' Service.

[fol. 151]

WARREN BIGGS

Designation by Plaintiff

My name is Warren Biggs. I am president of Warren Biggs Chevrolet located at 205 South Vermont Avenue in Los Angeles. The company is wholly-owned by myself and the family. In 1960 I was vice president of Dealers' Service, Inc. and in 1961 I was president. In both years I was a director.

I first had occasion to do business with either discount houses or referral services in 1957. I first did business with

Fleet Sales Company under a business arrangement whereby we sent them a referral fee of \$50 for every customer they sent to us, to whom we sold a new car. We did not sell cars directly to Fleet Sales itself. They never took title to or possession of the cars. We dealt directly with the customer at our place of business. We did not have anybody at the Fleet Sales place of business to talk to customers. We discontinued this business sometime in early 1958, I believe. It would seem to me that we did business with them for almost a year.

Subsequently we did business under an arrangement with Dealers Diversified Services, Inc. (sometimes referred to as Fedco). We commenced doing business with them in approximately mid-1958. Mr. Blair called on me at my place [fol. 152] of business and told me he would like to apply for a job on our sales force. He told me he could bring with him the Fedco account and told me what it was. At that time Blair first related the mechanics of the referral system of Fedco, where they were and how they operated. He told me the approximate gross profit on which they wished to do business but he emphasized that it was approximate, that the arrangement was an informal arrangement to the extent that there were occasional variations from it which he would handle himself with the Dealers Diversified Services, Inc. people. I hired Mr. Blair on a commission basis, the same as our other salesmen.

There was no aspect of the business relationship between us that gave me any control whatsoever over the business premises of Dealers Diversified Services, Inc. I didn't control their operation in any way. I didn't advertise that cars could be purchased from Warren Biggs at the premises of Dealers Diversified Services, Inc.

During the period from June 1958 when we commenced doing business with Dealers Diversified Services, Inc. (See Pltf. Ex. 145, letter from Warren Biggs to Dealers Diversified Services, Inc.), and until the advent of the 1959 models, I was closely acquainted with the details and the amount of profit retained and the amount of commissions earned by Mr. Blair. We continued to sell the 1960 model Chevrolets to [fol. 153] customers referred by Dealers Diversified Services, Inc. under the terms of the agreement specified in Pltf. Ex. 146, a letter I wrote to Dealers Diversified Services, Inc. (See also Pltf. Ex. 147, a similar letter in regard

to the 1961 models). During this time I had frequent opportunity to examine the amount of profit being retained in those deals as far as my dealership was concerned. In 1960 about 25 per cent of my new car units were sold to people referred by Dealers Diversified Services, Inc.

On November 4, 1960 I had a golf game at Riviera Country Club with Mr. Owen Keown at his invitation. I had not played with him before nor have I since. He called and invited me by telephone and told me John Hessell and Robert O'Connor (Los Angeles Zone Manager for Chevrolet) would also be present. After the round of golf we discussed business matters. Mr. Keown, Mr. Hessell and Mr. O'Connor were present. Mr. Hessell brought the subject up. He is a close personal friend of mine. He was under the impression that the other Chevrolet dealers had an exaggerated impression of our general business in regard to referral houses, that we were doing business with more than one. And he wanted to give me an opportunity to correct that impression. I undertook to correct it by merely pointing out and describing our doing business with Dealers Diversified Services, Inc., and pointing out [fol. 154] that it was our only account of this nature. I didn't want the impression to be that we were doing a great deal of business with a great many of these organizations. I can't recall that Mr. O'Connor said anything. It is my impression that he just sat and listened.

I had occasion to write a letter to Mr. Keown concerning the subject of my discussion, dated November 5, 1960 (Pltf. Ex. 6). I think I sent copies to the other members of the foursome. This is the first time that I recall ever writing a letter to Mr. Keown or to any other competing Chevrolet dealers disclosing details of by business operations. I haven't written any similar letters since.

It is my impression that there was some discussion as to whether or not I would be willing to give up the account should it become increasingly apparent that my handling of this account was a part of this big problem that seemed to be getting bigger all the time.

I realized after the golf game that Mr. Keown must have set this meeting up in a calculated fashion, and that is why I wrote the letter. In the letter to Mr. Keown I made the statement that as long as this referral business was as profitable as I was representing to him it was, I wouldn't

surrender it without a concrete assurance that it wouldn't be picked up by another Chevrolet dealer.

[fol. 155] Throughout the approximately two and a half year period I was selling through Dealers Diversified Services, the Chevrolet organization was aware of the fact that we were doing business with them. Neither Robert Young (district manager at one time) nor Mr. Thompson (city manager) raised any objection to my doing business pursuant to my business relationship with Dealers Diversified Services, Inc. Nor did Mr. O'Connor. Nor did anybody at a higher level in the corporation.

We subsequently discontinued selling pursuant to business arrangements and understandings with Dealers Diversified Services, Inc. on December 31, 1960. I had no occasion to question or dispute the integrity of Dealers Diversified Services, Inc. or whether they were doing business on an honest basis. Nor did I have any dissatisfaction with the manner in which they performed their obligations under the business arrangements between us.

I had a conversation with Mr. Roy Cash (Chevrolet Regional Manager, Pacific Coast Region) immediately preceding the day on which I directed Mr. Blair that I was no longer interested in accepting referrals from Dealers Diversified Services, Inc. This conversation took place approximately during the week preceding the Saturday on which I gave the directions to Mr. Blair not to do any [fol. 156] more business with Dealers Diversified Services, Inc. I was called and invited to come over and meet with Mr. Cash at the Chevrolet Zone Office. I think it would have been my City Manager, Mr. Hawthorne who called me. I was not informed as to what the subject of the meeting would be. Just Mr. Cash and myself were present. The subject of this meeting was discount house activity. We had a very general conversation about discount house activity, and it was my impression that we were of a mind on the subject. I do seem to recollect that Mr. Cash and I discussed Mr. Stanley's letter (Pltf. Ex. 121). I don't recall that he had it before him and that we were in specifics, but I think we discussed it. The only discussion we had of my own account was my relating to him that I had already decided to get rid of it, and why. It was apparent from our conversation that he knew that I was currently

doing business with Dealers Diversified Services, Inc., and had been for some time.

Q. Did Mr. Cash discuss with you the question as to whether your conduct constituted a violation of the Dealer Selling Agreement?

A. We did not discuss my personal situation or business at all.

Q. Do you recall whether or not during your conversations with Mr. Cash you addressed yourself to the question of—the same subject, rather, as you had dealt with in your [fol. 157] letter to Mr. Keown, namely, that you were interested in getting some concrete assurance that if you dropped the account, that it wouldn't be picked up immediately by another Chevrolet dealer?

A. Not so much from the standpoint of getting concrete assurances as I did express to him my hope that he could counsel with other dealers who were of a different opinion and bring them around to our way of thinking, yes.

I think at the start of our conversation he had commented that he had had conversations with other dealers, but he certainly did indicate that, in line with our mutual opinion, he would attempt to counsel with and convince any dealers who had not as yet awakened to this problem that it was not good business to continue.

I told Mr. Cash that I was going to terminate my business relationship with Dealers Diversified Services, Inc.

Pltf. Ex. 148 is a letter dated February 9, 1961 from Warren Biggs to Dealers Diversified Services, Inc. This letter does not truthfully state the facts. In the first place we had no greatly increased overhead factors; and in the second place I knew perfectly well that we would not have to sell any 1961 Chevrolets to Dealers Diversified Services, Inc. at \$500 and \$600 over invoice.

[fol. 158] Cross-Designation by All Defendants

At the commencement of each model year our arrangement with Dealers Diversified Services, Inc. was acknowledged in the form of a letter sent to Dealers Diversified Services by myself. (Pltf. Exs. 145, 146, 147) These letters were always considered by me as a formality. They were

originally presented that way, and each year were thought about as an afterthought and pre-dated and sent along for their files. The letters are much more specific than our agreement. The figures—\$250 over actual invoice for a Chevrolet and \$300 over invoice for Corvettes—were of a very general nature—a sort of rule of thumb on which we were going to do business, and it was indicated to me that according to the necessities of the moment—which would be cleared with Dealers Diversified Services in all cases—that we would deviate from this arrangement. Blair stated to me that he would be in touch with Dealers Diversified Services and that, if the general agreement was deviated from, he would always keep them informed. He did not say that it was a requirement to clear with them in advance. We deviated from the figures many times.

From time to time representatives of Dealers Diversified Services, Inc., including Miss Joan Miller, would call up to check upon a transaction to see if we were adhering to our agreement. Her checking was to ascertain whether or not, in fact, we had kept within or were under the \$250 [fol. 159] maximum that was agreed upon—or if there was some reason for needing to hold more, in light of particular circumstances.

When we stopped doing business with Dealers Diversified Services I had forgotten all about the existence of a letter because it was so minor in my consideration. Some time after we stopped, Blair came to me and stated that because they still had a letter in their possession that we agreed to sell cars through them, that they were going to send referrals to us regardless of our telephone communication. That is the first time I thought about the letter. I held legal counsel or communion with myself, I had no lawyer on retainer at that time and I didn't contact a lawyer. I thought perhaps the reason they had raised this question was that they had intended to make some sort of a legal force to delive cars even though we didn't wish to. So I thought that I might handle it in accordance with the terms of the letter that I had given them, which stated at any time we wanted to raise the gross profit, we could do so in writing. So I just wrote them a letter which raised the gross profit enough so they wouldn't send us in more business, instead of writing them a letter, which perhaps

I should have done on December 31st, instead of telephoning them.

I had made up my mind to discontinue my relationship with Dealers Diversified Services, Inc. approximately 60 days prior to my meeting with Mr. Cash. About the time [fol. 160] I made that decision I had Mr. Frank Mack take Blair to lunch and sound him out as to his willingness to remain with us if we dropped the Dealers Diversified account. About that time I had made up my mind to cut it off at the end of the year. It seemed a good cut-off point to make it at the end of the year. I was not in a hurry, however, to disclose this decision to Blair, because I was hoping that I could devise some means of keeping him with me after we dropped the account, and I didn't want to upset him unnecessarily until I did come up with such a plan. Subsequently during that period I did develop such a plan for him.

My conversation with Mr. Keown and Mr. Hessell following our golf game on November 4, 1960 was a very pleasant, short conversation, casual conversation made during the time that we were having a refreshment or two after our golf game. I was not at all embarrassed by the fact that this conversation occurred in the presence of Mr. O'Connor. My only embarrassment was brought about by my realization which came about really afterwards, as I was thinking about the visit, that apparently there were a group of dealers who had classified me as doing a large percentage of my business through a sales device of this sort.

The letter that I wrote to Mr. Keown on November 5, 1960 (Pltf. Ex. 6) was a letter of justification. You must [fol. 161] bear in mind that for 17 or 18 years I have been handling a car of another make, and I was at this time, in terms of Chevrolet dealers, a comparatively new dealer. I had not become too well acquainted with most Chevrolet dealers, outside of those in my immediate area. And I think it is normal for one to take a certain pride in the conduct of his business and his business reputation among his fellow dealers, and I would not have been proud of having a reputation of being a discount house bell cow as I stated in my letter, because to me that would carry with it a connotation of being a weak merchandiser. So, there-

fore, I was trying to show (a) that we did only a small amount of our business with one referral house and that the business that we did was profitable business.

In my letter, I used the term "concrete assurance" far as the term concrete assurance was concerned, not talking about concrete assurance by anyone or agency of any sort; I was talking about concrete assurance by the general situation. It had become apparent that the problem was getting so bad that everybody was going to throw up their hands and say, "Let's get away from this." It would be at that time very obvious that no one else was going to pick up the account.

[fol. 162] By the end of 1960 discount house and repair service selling had grown very quickly into a very big problem. First of all it presented a problem from the point of service. Automobile service as related to maintenance distribution is very importantly premised upon a personal relationship between the customer and the dealer, or service in the dealer's organization. For example, in almost every case of a new car that we or any other dealer sells there are many things that we do that are above and beyond the terms as spelled out specifically in the warranty. Perhaps the use of a loan car for the convenience of the customer; perhaps a replacement of some vital part of a customer's car that isn't locally available. Recently we had a customer who had purchased a '63 car from us and the wiring harness on the top of the engine burned away completely through some failure. It was ascertained that our checking with Parts at Van Nuys—and this is an unusual situation—that owing to an unusual situation there was no wiring harness available on the West Coast and that subject wiring harness would have to come out of the plant in the East. It would have taken, we were informed, and did, about 10 days for this harness to come out to us. We removed a wiring harness from another automobile in our stock and immobilized that automobile for 10 days so that our customer could keep rolling.

Now, all that the warranty policy provided for [fol. 163] should do was to obtain a wiring harness for a Chevrolet through the regular parts channel as quickly as possible and put it on the car. So if this had not been something we wanted to do above and beyond the

warranty, we would hardly have tied up one of our very short new cars for a period of 10 days.

Now, that's what I mean by doing things for your own customers that a dealer simply from a realistic standpoint does not do for someone that is just a drop-in on warranty work. That type of thing I am referring to.

Now, those services, those extra services, are in almost 100 per cent of the cases obtainable only from the dealer who sold the car. Because this dealer or his organization is anxious to preserve the good will of his own customer, because about 50 per cent of our sales are sales that are sent to us by satisfied customers. So we have a very selfish motive in wanting to keep our customer as satisfied as possible. And, of course, also so that we can sell him another car when the time comes around again in several years.

If the customer returns for service with his warranty policy to a non-selling dealer, it is obvious that he receives only the cursory service that is required by the warranty policy. The dealer is not going to spend a lot of his own money and time in extra services for which he is not going [fol. 164] to be reimbursed on a car that is sold someplace else and he is just performing warranty work on it.

Based on my experience, my view was that later in 1960, because of the volume of cars that were sold through discount houses, there were many disgruntled customers who were receiving all the services that were spelled out in their service policies, but not all the services that they would have gotten if they had returned to the selling dealer for them. It was my view that this dissatisfaction with service was not directed against the discount house from whom they bought the car, and was not necessarily directed against the dealer who was performing the services for them wherever he was; it was directed against the product. So it was my view that product dissatisfaction was arising out of this situation, which had become sufficiently apparent so that all of the dealers were hearing a lot of it from customers and from people. And if it had gone on, I believe that it might have seriously affected the sales of Chevrolet automobiles.

In addition to the service problem, there was a sales problem. Automobile sales are usually engendered very

importantly on the basis of contact, not necessarily price. Discount houses were additional sources of contacts for customers in areas of influence completely unrelated to the different dealer locations wherever they might be. It was [fol. 165] very obvious to all of them, as it is very obvious strongly to me, after seeing how the problem grew and what it was resulting in, that I could not attempt to run a Chevrolet business as I am running it, with the investment that I have, if there were all around me points of contact for customers to buy Chevrolets in my area. Whether they bought them there, or not, was not the important point. The important point was that these locations were the basis of contact for the customer, and if there were a referral house three blocks away from me sending customers to a dealer 20 miles away from me, even though that dealer perhaps was not under-cutting me on price, the mere fact that the availability of the contact there for the customer was the important thing, and I am speaking now from the dealer standpoint. So those were the sales problems and the service problems that were encountered by the very rapid growth of these discount house outlets in late 1960.

While discount house selling certainly did not involve the problem from the standpoint of short term profitability, it did as to long term profitability. This sales device, as many other sales devices turn out to be, was difficult to resist because the dealer could look at X number of dollars profit that he was making on that deal or in that month or in that year. As the volume of that business grew, it became more obvious to me that I was defeating myself in the long run because in the first place I was destroying my sales [fol. 166] organization, and second I was putting myself in the middle of what could be a terrible squeeze, because in my case this referral house business had grown to 25 per cent of my volume in 1960, and the more it grew, the more I became aware of the fact that one day this account might be pulled out from under me and I would be left holding a sack that was only 75 per cent full, with no sales organization to refill it. So I was becoming too dependent upon them.

The reason I was concerned whether or not other Chevrolet dealers sold through discount houses was that all of the problems of product good will, service and sales, which I have mentioned would still exist.

General Motors Corporation does not have any control nor does it take part in the operation of Dealers' Service, Inc., the association of Chevrolet dealers of which I was president in 1961. On very rare occasions we might invite some representative to address us on some subject of interest, but that would be the only participation they would take. They don't direct or suggest what activities should be taken by the association.

Page 4 of the Dealer Financial Statement includes a departmental gross profit analysis which breaks down the [fol.167] dealer's gross profit among his various departments including the new car department. However, you cannot obtain the average gross profit over invoice from this analysis because the financial statement reflects several deductions from cost which artificially reduce the cost figure below our invoice cost, thus increasing the "gross profit." Such deductions include a substantial bonus which we receive from the factory as a result of holdover models. For example, in 1959 we had quite a large stock of 1959 models and we received back from the factory a retro-active bonus of 5% of the factory list price on all of the 1959 models we carried over. Also, we have a holdback of 1% of the factory list price of all of our cars during the year which we receive at the end of the year and which is a deduction from cost. We also had a last-chance clean-up activity bonus and a Corvair bonus.

Additional Cross-Designation by Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc. and Foothill Chevrolet Dealers Association

The primary purpose of the association (Dealers' Service, Inc.) is to facilitate dealer trading. Secondary purposes are to provide for collective advertising, representation in factory liaison, and to foster better acquaintance among the dealers.

The membership of the association is made up of the dealerships, not individuals.

[fol.168] The directors were elected by the members. The directors elected the officers.

I was elected both a director and officer during the time that I was actually selling through discount houses. Never since I've been a member has the association through any

of its officers or members suggested or requested that I stop selling through discount houses.

Q. At any time during the period that you have been a member of Dealers' Service, Inc., did that organization through any of its officers or any of its members suggest to you or request that you discontinue sales through discount houses?

A. No.

Q. Were any of the benefits or privileges, such as the use of the Trading Bureau, denied you by virtue of the fact that you were selling through discount houses?

A. No.

Q. Was any pressure of any kind exerted on you to request or cause you to discontinue such a practice?

A. No.

The activities of the associations in engaging Russell DeOrto to conduct shopping activities was for the purpose of turning over the information thus gathered to Mr. Roberts, who was in turn to take the information to the [fol. 169] State Legislature. This information was regarding the State licensing of the discount houses or referral services.

Mr. Roberts took such information to the State Legislature several times.

Reply Designation by Plaintiff

Q. Now, you testified that one of the reasons that you stopped doing business in the week following your conversation with Mr. Cash was the fact that you were worried about the morale in your sales organization, is that right?

A. Yes.

Q. And you have a number of salesmen employed at your place of business?

A. Yes, we do.

Q. By morale were you referring to the morale of your salesmen?

A. Yes.

Q. Do you know Mr. Yesko?

A. Yes, I do.

Q. Did he complain to you about referral sales were being made by Doc Blair?

A. He didn't have to complain to me. I know Yesko

well enough and worked with him long enough that from the expression on his face I can tell what he feels.

[fol.170] Q. Well, I didn't ask you what you can read from the expression on his face, and I can't cross examine you about that very well.

I want you to answer me yes or no whether he complained about it?

A. I can't recall having had a complaint from any salesman on the subject, Yesko or anyone else.

Q. You have a Mr. Pisano and to the best of your knowledge he did no complain?

A. I cannot recall having had a complaint from any salesman in my employ.

[fol.171]

WILLIAM H. SPOO, JR.

Designation by Plaintiff

My name is William N. Spoo. I reside at 575 East Verdugo, Burbank, California. I have been an automobile salesman since 1939. I was employed as a fleet manager at Citizens Chevrolet from September 1958 until March 28, 1961 when I was fired. I was rehired as a salesman in the used car department on July 5, 1962 and work there now.

During the period I was employed by Citizens Chevrolet from September 1958 until I was fired in March 1961, I had occasion to sell new Chevrolet automobiles pursuant to an agreement or understanding with a Robert Chico, who operated a new car department at several discount houses in the Southern California area. This agreement was entered into in the spring of 1959, when Chico was operating a new car department at the Certi-Bond Discount House in Torrance, and it provided that we would furnish cars to Mr. Chico to be registered directly to his customers and paid for on delivery at \$85 over dealer's invoice. This was the amount that Mr. Chico was responsible to Citizens Chevrolet for. Chico was the one who was going to pay Citizens Chevrolet for the cars. Subsequently, Chico opened up additional outlets at the Gemco Store in Anaheim, the Fore store in San Bernardino, the U-Disco [fol.172] store in Downey, the Big A in Canoga Park,

Martin's in Bakersfield, and the ABC Discount Store in Santa Ana, and until the end of 1960 Citizens Chevrolet supplied Chico with automobiles pursuant to this arrangement at each of the discount stores which he operated in the Southern California area.

In about the summer of 1959 I entered into an agreement or understanding on behalf of Citizens Chevrolet with Mr. Marvin Petty to supply him with automobiles on about the same basis as we had previously been supplying cars to Mr. Chico. The way in which we dealt with Mr. Chico and Mr. Petty was substantially the same during the entire period of time we had those dealings.

The discount house (Chico or Petty) negotiated the sale of the automobile to a specific customer, then the discount house ordered the car after it had reached an agreement with a customer in respect to the purchase. When the discount house ordered the car we were given the name of the person to whom it was going to be registered, and that was the name we listed on any invoices or documents. The customer paid the discount house, and the discount house, in turn, paid Citizens Chevrolet. We always looked to Chico and Petty for payment on the cars sold. The discount house in negotiating the price traditionally added some profit and the cost of doing business into this [fol. 173] price. This plus factor Citizens Chevrolet had nothing at all to do with. We had no control over the prices at which Chico or Petty delivered the cars to customers.

In late December 1960 or early January 1961 I had a talk with Mr. Newman, the owner of Citizens Chevrolet, during which he instructed me or told me to cut off all of the discount houses with which we were doing business. Mr. Newman had decided that it was unprofitable to do business with this source that we had set up. We had a problem at that time on payment on some of the automobiles and we had had a base agreement that it actually wasn't worth all the trouble. Sometime before this but at about the same time—late December or early January—Mr. Newman advised me that he had just returned from a meeting with Mr. Cash. He did not relate to me what happened in this meeting except for a little story that Mr. Cash told him.

Q. Will you tell us what Mr. Newman told you in respect to the conversation he had had with Mr. Cash?

A. He said that—he laughed and said that Mr. Cash had said that if his kid sassed him, he said, he couldn't do nothing about it, but—something about he could kick his teeth down his throat, or something like that. I don't know. [fol. 174] Q. Did Mr. Newman tell you that that is substantially what Mr. Cash had told to him, Mr. Newman, at the time they met?

A. He told me this story, yes. That's as far as I know, sir.

Q. Did he tell you whether or not Mr. Cash told that story to Mr. Newman at the time they had met?

A. Well, I presumed, because Mr. Newman had just returned from that meeting.

Q. At the time you talked with Mr. Newman he advised you that he had just returned from a meeting with Mr. Cash?

A. Yes, sir.

Q. And the story you have related with respect to kicking teeth down someone's throat relates as you understood to words used by Mr. Cash in his conversation with Mr. Newman?

A. That's correct.

Subsequent to my talk with Mr. Newman I did, in fact, stop doing business with Mr. Chico and Mr. Petty.

On February 3, 1961, I sold a new Chevrolet Corvair to a Shirlene Schoemann (Pltf. Ex. 167, invoice from the transaction), which I delivered through a contact of mine named Lex Jones who, to my knowledge, was not connected with [fol. 175] a discount house at the time this order was written. Also, on November 1, 1960, I had written an invoice for an automobile that was ordered through the Gemco Store in Anaheim for Bill or Mary Brooks (Pltf. Ex. 166). This transaction resulted from my business dealings with Mr. Chico. It was not until February 28 or March 1, 1961, about four months after the date of the invoice, that the Brooks' car was delivered. The original order was placed with Chevrolet, but due to custom equipment, being the first year of the Greenbriar (the model of car they had ordered), the order was delayed because of not being able to put this custom equipment on the car.

I had occasion to discuss both of these transactions with Mr. Newman on approximately February 27, 1961, in Mr. Newman's office. Mr. Max Young, a City Manager of Chevrolet Motor Division, was also present. I was called into the office on the Schoemann deal and asked by Mr. Newman why I delivered the car, and I told them that I had delivered it through one of my bird dogs. Mr. Newman said it had come to his attention that this deal was written by the Cal Stores discount house. I explained that I had understood that this Lex Jones had severed his relations with Cal Stores which I had known previously, and that I figured he was a bird dog now.

Q. During this conversation in respect to the Shirlene O. Schoemann transaction dated February 3, 1961, did Mr. Young say anything to you?

[fol. 176] A. The only thing Mr. Young said to me was that, "You have been told by Mr. Newman to quit doing business with discount houses."

Q. Did he ask you whether or not you knew that Mr. Jones was associated with the Cal Stores discount house?

A. Yes, sir.

Q. Did he give you any instructions in respect to continuing to deliver cars through discount houses?

A. He said Mr. Newman had instructed me to quit this type of business and that "Just quit it."

At that time I knew Mr. Young was City Manager of our area for Chevrolet Motor Division, and that in his capacity as City Manager he was responsible to Mr. O'Connor, the Zone Manager.

At that same time and place, with Mr. Young and Mr. Newman present, there was also a conversation with respect to the Brooks transaction. I went back to my office and brought back this deal and laid it on Mr. Newman's desk and explained to Newman and Young that it had originated with a discount house, and since Mr. Newman had told me to quit doing business with discount houses, I wanted to know what I would do with this deal. During the delay in delivery we had reordered this car making a retail deal out of it. I told the Brooks that I had no longer any affiliations with these other type of operations, and that if they [fol. 177] wanted this automobile reordered they would have to pay my price, which they agreed to. I brought all this up in the conversation with Newman and Young, and

was informed by Mr. Young to leave the deal there and to leave the office. I discussed the Brooks transactions with Newman the next day. I was told to straighten out the mess and in order to do this I was to take this car, personally, to Ernie Porter Chevrolet in Pasadena, with all the papers involved, and turn the deal over to Bill Vogan who is their general manager. Ernie Porter Chevrolet delivered the car to Mr. and Mrs. Brooks, and to my knowledge Citizens Chevrolet did not make any profit on this transaction, and I made no commission on it.

During the period of time I was employed by Citizens Chevrolet I never had occasion to discuss with any Chevrolet City Manager my conduct in respect to the persons to whom I could sell automobiles. Nor do I recall any other time during my employment by Citizens Chevrolet that I was instructed by Mr. Newman or any of my superiors to deliver a car to another dealer for delivery to a customer.

On March 25, 1961, I delivered a car to a person representing himself to be a G. R. Wolfe, who was sent to me by Mr. Arthur Diamond, a bird dog of mine. Three days later I had occasion to talk with Mr. Newman about this [fol. 178] transaction. He was highly perturbed. It seems that I had run into a professional shopper and Newman told me that he (Newman) had to buy that car back. Newman explained that Mr. Wolfe was a paid professional shopper and that tape recordings were made of my conversations with Mr. Wolfe and Mr. Diamond, which Mr. Newman heard downtown. I presume downtown would be down at the Chevrolet zone office. The amount of money Newman paid to buy the car back was more than the amount which appeared on the face of the Citizens Chevrolet invoice. I told Mr. Newman that whatever moneys Mr. Diamond made on that deal, I would see that it was returned to Citizens Chevrolet so that he wouldn't be out any money on the deal. This was done. It was at the conclusion of this talk with Newman that I was fired.

Around March 12, 1961, I had received a letter from Mr. Kenneth E. Staley (General Sales Manager, Chevrolet) commending me on the terrific job that I did in 1960 on the West Coast. (Pltf. Ex. 168) I was the number one fleet salesman for Chevrolet in the eleven western states.

Cross-Designation by All Defendants

Under the arrangement that Citizens Chevrolet had with Robert Chico, Citizens Chevrolet would hold title to the car and possession of the car while Chico went about his business finding a customer and negotiating a price to the customer.

[fol. 179] For example, let's suppose that the customer in Chico's place of business at Gemco, which is a good 40 miles from Citizens Chevrolet, is seeking an Impala coupe. We would have an Impala coupe on our lot up here at Citizens which we had purchased from the Chevrolet Division. Citizens owns that car. Now Chico or whoever is operating for him there at the Gemco store finds a customer and interests him in the purchase of an Impala coupe. Then Chico would quote a price to the customer.

Then Chico advises us that they have located a customer and satisfied him on the price. After being so advised by telephone, Citizens, which has title to that car, transfers it from itself to Chico's customer. In the sale of new automobiles, the authorized dealer like Citizens has a book of blank Report of Sales forms that it fills out in order to get a certificate of registration issued by the State of California. In order to get the title transferred from Citizens to Chico's customers, we filled out a Report of Sale and sent one copy to the State of California and pasted another on the windshield of the automobile. Chico then sends in and gets the car and takes it out to Anaheim at Gemco and delivers it to the customer.

In my business dealings with Mr. Robert Chico, my customer would be the person to whom the car was registered. [fol. 180] Citizens Chevrolet had nothing to do with whatever representations were made by the Chico organization to the customer. We wouldn't even know what had been said: whether they tried to sell this man a Chevrolet Impala or tried to sell him a Ford Galaxie.

Under our arrangement with Chico he would appraise and make the allowance on the used car if there was a trade-in. Chico operated the used car lot right next to the Gemco property at Anaheim.

The basis of my arrangement with Mr. Petty was substantially the same as the basis pursuant to which I supplied cars to Mr. Chico. Citizens Chevrolet also sold cars

through Cal Stores in Lakewood in approximately the same manner as it sold through the Chico operations in Gemco.

The automobile section that Chico operated in the Gemco store in Anaheim in 1960 was about 30 by 50 with three desks and a salesman for each desk. Mr. Chico had an office at Autorama, which was the used car lot he operated adjacent to Gemco. We furnished this Gemco location with literature on Chevrolets for them to pass out. They had signs about all makes and models of new cars available. There were pictures of different automobiles there. I would say [fol. 181] they had a picture of a Chevrolet. All of the Chico new car operations in discount house stores were the same with desks and literature. All of them were the same basic set-up.

On the sale to G. R. Wolfe, Mr. Diamond called me and told me that he had a customer for an Impala coupe and could I furnish the car and for how much money. I got the automobile, I called Mr. Diamond back, told him I had the type of unit that he wanted, it was going to cost X amount of dollars, and is this the unit that the customer would accept? I understood at that time that he was going to add a certain amount to the price which I was quoting to him; that he was going to thereby make a profit on the transaction. This profit was a plus factor just as in the case of Mr. Chico and Mr. Petty. I was told that Mr. Diamond had a placard in his window that said something about all makes and models of new cars. Neither at the time when I delivered the car to Mr. Wolfe nor right after the delivery did I talk to Mr. Newman about it. The only ones I talked to at the time of delivery of the car were Mr. Wolfe and Mr. Diamond. When Mr. Newman talked to me on March 28, 1961 about this sale through Mr. Diamond to Mr. Wolfe, he fired me. I think that was the ultimate. He just told me that he couldn't no longer continue in this manner.

[fol. 182]

WILBUR S. NEWMAN

Designation by Plaintiff

My name is Wilbur S. Newman. I reside at 1446 Royal Boulevard, Glendale 7, California. I have been the principal owner of Citizens Chevrolet Company, 2030 Colorado

Boulevard, Eagle Rock, California, since approximately 1956.

In the early or mid-part of 1959, Citizens Chevrolet entered into a business relationship with Robert Chico (doing business as Chico Auto Sales, Inc.) under which Citizens would deliver cars to Mr. Chico for factory invoice cost plus \$85.00. Citizens Chevrolet had a substantially similar agreement with Mr. Marvin Petty (doing business as Union Car Sales). I looked to Mr. Chico or Mr. Petty for payment for the automobiles and not to the person who actually received and drove the car. The business arrangements with both Mr. Chico and Mr. Petty at all their locations were terminated around the first of 1961.

During this 18 to 20-month period that Citizens was doing business with Mr. Chico and/or Mr. Petty, Citizens Chevrolet owned no interest in any of their operations. At [fol. 183] no time did any Citizens Chevrolet personnel work at any of the discount house locations.

Q. At any time during that period, sir, did you give any cars to Mr. Chico or to Mr. Petty for display at any of these locations?

A. No, not to my knowledge.

At no time did Citizens Chevrolet advertise by any media that a customer could secure an automobile at any of the discount house locations operated by Chico or Petty; and at no time did Citizens Chevrolet report to the Department of Motor Vehicles any of Mr. Chico's or Mr. Petty's locations as branch locations of Citizens Chevrolet, although I am aware that under California law it is my obligation to report each and every branch location.

In the year 1960, to the best of my recollection, we sold approximately 300, 350, 400 cars to Mr. Chico, and I would say approximately 100 to 125 were involved in my business relationship with Mr. Petty.

In December 1960, between Christmas and New Year's, I received a call from the Chevrolet Zone Office in Los Angeles and was asked to come down to the office. At the time of the telephone conversation I don't recall being told that I was to meet with Mr. Roy Cash (Regional Manager, Pacific Coast Region, Chevrolet Motor Division). [fol. 184] When I arrived at the zone office I had a meeting with Cash. We met in a room by ourselves. No one else

was present. At no time prior to this, during the entire period that I've owned Citizens Chevrolet, have I had occasion to meet with a Regional Manager of the Chevrolet Motor Division in a personal, private meeting like this one.

Q. Now, as best you can recall, Mr. Newman, will you state for us what you said to Mr. Cash and what he said to you?

A. Well, it was a very short meeting; it was four or five, not over four or five minutes, and I think we exchanged—

Q. Will you keep your voice up, please? I am having a little trouble hearing you.

A. I think it was about four or five minutes and he just asked me to take a look at the discount house business, which I told him I would. And he said he thought it was wrong; he couldn't tell me what to do; and at no time—at that time I didn't agree to stop it nor was I encouraged to stop it. He said, "I want you to take another look at it. We think it is wrong, and to look at it from your viewpoint," which I did, but at no time did I agree to anything at that meeting.

[fol. 185] Q. Now, he suggested that you take another look at your discount house business because he and General Motors, I take it, thought it was wrong,—

A. Yes.

Q. —is that an accurate statement of what he told you?

A. Yes, sir.

Q. And did he also say to you that he could not tell you what to do?

A. Yes.

Q. And that statement was made in connection with whether or not you would continue to do business with the discount houses?

A. Yes.

Q. Now, did he tell you a story at that time, Mr. Newman?

A. Yes, he did.

Q. Will you tell us as best you recall what the story Mr. Cash told you was?

A. Well, it's a story—he said, "Well, you"—he related it. I don't know what it was, something about one of his children, he said, "I can tell them to stop something. If they don't do it," he says, "I can knock their teeth down their throats."

[fol. 186] Q. He told you that he couldn't stop his chil-

dren from doing something, but he could knock their teeth down their throat?

A. Yes, he said "the first time," but the second time he said he could do something about it.

Q. What did you understand that story to mean at the time and place of your conversation with Mr. Cash?

A. I didn't think anything about it, because he would tell stories like that once in a while, and I have worked with him and for him, both as an employee of Chevrolet and as a dealer.

Q. You thought nothing at all about a story like that he told you?

A. No.

Q. Now, he told you that he could not tell you what to do about discount house selling, is that correct?

A. That's right; that is what we were talking about.

Q. And he did not, did he, during the course of this conversation mention to you in any way that the discount house selling constituted any violation of your dealer's selling agreement, did he, Mr. Newman?

A. Not to my recollection, no.

[fol. 187] Q. Did you understand that statement, Mr. Newman, to be in the nature of a threat?

A. No.

Q. Did you understand that statement to be in the nature of intimidation?

A. No.

Q. Did you discuss with Mr. Cash, at that time and place, the availability of automobiles to Citizens Chevrolet, should you decide to continue to do business with discount houses?

A. No.

Q. Now, is it not a fact, Mr. Newman, that you repeated the substance of that story Mr. Cash told you to Mr. Spoo at the time you instructed him to cut off Mr. Chico and Mr. Petty?

A. I can't answer. I don't remember.

During this meeting Mr. Cash did not tell me that the places of business of Mr. Chico and Mr. Petty were branch locations of Citizens Chevrolet.

Within a week following this meeting with Mr. Cash, I instructed Mr. William Spoo, my salesman in charge of discount house sales, to discontinue delivering cars to Mr.

Chico and Mr. Petty. And whereas from 1958 through the [fol. 188] fall of 1960 my dealership solicited business from from various discount houses and referral services in the Los Angeles area by having my personnel write letters to them (See Plaintiff Exhibits 164 and 165), after the meeting with Mr. Cash, I no longer this solicited this business.

On March 25, 1961 there was a transaction evidenced by an invoice from Citizens Chevrolet to a Mr. G. R. Wolfe.

Approximately at the end of March 1961, I was called by Mr. Young to come down to the zone office. He had something he wanted me to listen to. So I went down to the zone office. Mr. Young told me he had a recording of the conversation between Mr. Diamond and Mr. Wolfe when he called Bill Spoo and bought the car from him. Max Young asked if I would buy it back and I said yes, which I did.

I didn't discuss with Young whether or not the amount I was going to pay to re-purchase the car was more than I had sold it for originally; it didn't make any difference to me. Nor did I question Young's right to ask me to buy a car back.

Q. And you blandly acceded to his request that the car be repurchased?

A. Yes.

[fol. 139] Q. Is that the usual thing, for the Chevrolet Zone Office to call you down and play a tape recording in respect to an automobile which your dealership had delivered?

A. I hadn't heard it before, no.

Q. Was that the first time in your experience as a Chevrolet dealer that that had happened?

A. Yes.

Q. And was that the first time in your experience as a Chevrolet dealer that a representative of the Chevrolet Motor Division asked you to buy a car back that you had sold?

A. To the best of my recollection, yes, it is.

On or about March 9, 1961 Bill Spoo received a congratulatory letter from Mr. Kenneth Staley, General Sales Manager, Chevrolet Motor Division, for being the number one fleet salesman in the Pacific Coast Region (comprising 11 states) for the year 1960 (See Plaintiff Exhibit 168).

I fired Bill Spoo on or about March 28, 1961.

I was a member of the board of directors which authorized that \$5,000 of Dealers' Service, Inc. funds be contributed to the shopping activities to be conducted by the three defendant dealer associations.

Q. And wasn't it understood at the time that you authorized the dispensation of those funds that the Chevrolet Motor Division was to secure the information that was brought out as a result of the shopping activities?

A. To my knowledge, no, I don't remember that.

Q. Well, did you not inquire as to what would happen to the cars that were purchased with the funds which, in part, were created by the \$5,000 which you helped authorize?

A. I didn't inquire, no.

Q. And it was never reported to you at any time that the information secured as a result of the shopping activities with the money created by the three defendant dealer associations was going to be turned over to the General Motors Chevrolet Division?

A. No, not to my knowledge.

Q. So the first time you had knowledge of the fact that the shopping activities were being related to General Motors was when Mr. Young called you in?

A. To the best of my recollection, yes.

[fol. 191] Cross-Designation by All Defendants

At the current time Citizens Chevrolet is engaged in litigation in respect to collecting certain sums of money from Mr. Petty.

The arrangement that I had with Mr. Chico was that as the cars were delivered they were to be paid for. To my knowledge there was never any change in the arrangement. The negotiations for the sale were made at the Chico place of business—the negotiations with the buyer. They would notify us that they had a buyer for a certain type of car. We delivered the car to a representative of Chico at our place of business and it was at that time that the car was to be paid for.

The first time that I experienced any difficulty with the business of Mr. Chico in respect to his payments for the cars was early in November of 1960. I woke up to the fact Mr. Chico owed me \$80,000 and that is when I first got con-

cerned. The way he accumulated an indebtedness of \$80,000 was that at the time he was paying for these cars by draft and, as the cars were picked up, he would give Bill Spoo a draft and we would put that into the bank. Through some unknown reason, he told Spoo that he had talked to me which I have no recollection of and he said he wanted to change over from drafts to checks. The first thing I knew [fol. 192] it, that is when I woke up to the fact that he owed me \$80,000; I had about 20 or 30 checks upstairs which hadn't been put in and when I put them in, he couldn't pay the checks. The checks were dishonored or bounced.

At the time I was aware that Mr. Chico owed Citizens Chevrolet this amount of money I had occasion to discuss the matter of his owing this money to us many times. I discussed it in November and in December of 1960. The only thing he advised me was that he would pay me if he could. I didn't come to any conclusion or reach an agreement with him with respect to whether or not the Associates Discount Corporation (the finance company) was going to require substantially the amount of money which Mr. Chico then owed to me. The only thing was I had to play along with him when he owed me this amount of money, so I wouldn't lose it all. I thought I could work it out. Any cars I delivered to him in, I would say, the latter part of November or early December, the Associates Discount Corporation agreed to pay me direct and bypass Chico, so they would make sure I would get my money.

In late November or early December I reached agreement [fol. 193] in which Associates Discount Corporation was going to make direct payment to me for the cars delivered to Chico—not all—just the ones that Chico financed through Associates.

During the month of December 1960 I think he reduced substantially the amount of money which he owed to me. I went down there at one time and secured \$20,000 in certified funds, that was November some time, and I kept after him every day almost in order to get the money I could out of him to reduce the amount owing. I think when I stopped doing business with him I got it down to the point where I figured I might as well just chop it off and take what loss I had to take, and I think it was approximately around \$28,000, I am not mistaken.

Q. So that it would be accurate to state that in a period of about four weeks or thereabouts he reduced his indebtedness to you from \$80,000 to \$28,000, and also was then current on the cars which he was getting from Citizens Chevrolet?

[fol. 194] A. I don't think I would give him any cars unless he would pay for them at that time.

Q. You were giving him cars in December 1960 and he was paying for those as they were received?

A. Yes.

Q. And the same time he was also reducing his indebtedness from \$80,000 to \$28,000 over a period of about four weeks?

A. Somewhere like that.

Q. At any time did Chico deny to you that he owed you any money?

A. Not to my knowledge.

Q. He always admitted the indebtedness?

A. I so understand.

Q. Even after you stopped selling him, Mr. Chico continued paying you the money he admitted owing to you?

A. He never admitted it outright. He never paid for them, so he evidently owed it.

Q. After he stopped doing business with you he continued to pay you?

A. No, he didn't.

Q. He stopped paying you?

[fol. 195] A. To the best of my recollection after I stopped doing business with Chico he never paid me a cent.

Q. Are you aware of the fact that he went out of business at or about the time that you refused to deliver Chevrolets to him?

A. I understand that. I don't know when he went out of business.

The first time I experienced any difficulty in respect to collecting moneys due from Marvin Petty or the Union Car Sales was around the latter part of December, to the best of my recollection. I believe at that time he owed me somewhere in the neighborhood of \$20,000.

Q. Did you make any arrangements to have that amount paid to you or any part thereof?

A. No. I put a keeper into the CMA store, Union Car Sales in Torrance, I think January 12th. I took over his

operation and tied up his bank account and everything like that.

Chico and Petty still owe me \$20,000—\$10,000 apiece.

In the forepart of January 1961, I told Mr. Spoo not to do business with discount houses any more. Prior to that, I mentioned it a number of times to Mr. Spoo. Even in November, when I had my problems with collecting my [fol. 196] money, I told him if I ever got any way near even that I would definitely stop. I discussed this on numerous occasions with Mr. Spoo in November and December of 1960.

Before becoming the dealer in Eagle Rock, I worked in the Chevrolet Los Angeles zone office for about 10 years—from 1946 to 1956. My last position was zone fleet manager from 1949. I have known Mr. Cash since 1954. Between 1954 and 1957, Mr. Cash was the zone manager while I was the fleet manager in the Los Angeles Chevrolet zone. We had our offices in the same place and I was in touch with him almost daily. I would see him every day almost unless he was out of town or I was out of town and we had reasons to discuss mutual problems about the sale of Chevrolets. During this period, Mr. Cash and I became very well acquainted.

Q. You are not afraid of Mr. Cash, are you?

A. I should say not.

During the time I worked in the zone office and since 1956 as a dealer, I have become familiar with the relationship and operations between zone officials and the dealers. Unless you have been a dealer and worked for Chevrolet, I don't think you can see the close ties between the two of us. It is a mutual understanding. It is a very close relationship. If I need some help in my office or my parts and [fol. 197] service departments, they have men available to come out to help and guide me. They have programs which I can institute in my place of business—programs for improving my salesmen, hiring them, training men so that they know the product so they can better sell and service. So they come out with any improvements that they can to help the customer to be better satisfied with Chevrolet. They have a General Motors training program, a training center out in Burbank where they train mechanics, they train salesmen, and we can take advantage of that at any time we desire.

When I talked to Mr. Cash in late December 1960, Mr. Cash said he wanted me to review my operations and take another look at discount house selling. To the best of my recollection, he asked me to review my operations in the light of the critical nature of the problem as it affected the entire franchise system of distribution. I believe he said it was wrong and he wanted me to take another look at it, and whether it affected my selling agreement he didn't know. So, of course, anything that affects the selling agreement that I have with Chevrolet Motor Company I am very concerned about, because that is my livelihood as a Chevrolet dealer. He thought it was undermining the franchise system—this mode of operation.

[fol. 198] Q. Why did you tell Spoo not to sell through discount houses any more? Give me all of the reasons and try to explain what went on in your mind, what caused this decision?

A. Well, like I testified yesterday, the first thing it was was this money shortage where I didn't get paid on the cars that I had already delivered to him, along with the talk with Mr. Cash, this letter, and all in all, I finally decided that it wasn't good for the business and wouldn't be good for me, if someone might come along and open up a discount house next to me, someone from San Diego or someplace like that, and sell cars in competition with me right next door to me, which I couldn't compete with.

Also, service was quite a problem. I couldn't service all the cars I was selling and the discount house didn't have any setup for service. So, if they didn't bring them back to me, they would have to go some place and they might be disgruntled customers if they had something go wrong with their cars that no one would fix in that area. You can't expect another dealer to take care of some of the things that we might have missed on new car get-ready which is our responsibility.

I am very short of service. I have outgrown my facilities. [fol. 199] I haven't got enough service to take care of my sales. In 1960, the customers whom I sold through discount houses came back very seldom. I don't know where they went. I really had no contact with them at all so that I had no opportunity to maintain the Chevrolet good will with respect to these people who represented a fifth or a sixth of my new car business.

In January and February 1961, on a number of occasions, I warned Mr. Spoo that I wanted him to be careful that he wasn't delivering to a discount house. I never retracted these instructions to him to cease selling through discount houses. So, when he sold through this Arthur Diamond outfit in the latter part of March 1961, I discharged him.

[fol. 200]

GWYNN BACON

Designation by Plaintiff

My name is Gwynn Bacon. I am associated with the Chevrolet dealer in Glendale, Allen Gwynn Chevrolet. I am president of Allen Gwynn Chevrolet. From 1955 until October 1962 when Mr. Allen Gwynn died I was vice-president and general manager of the dealership and involved in day-to-day conduct of its affairs.

For a period of time prior to the end of 1960, I couldn't tell you when we started, Allen Gwynn Chevrolet was selling new Chevrolet automobiles on a referral basis through AAAA Auto Leasing pursuant to an arrangement with them. Under this business arrangement, AAAA would refer a customer or send us an order with a deposit describing a particular car, a particular color, certain options, certain accessories, and we would place the order with Chevrolet. When the car arrived we would call them and they would pick it up and we would sell it—we would register it in the name of the individual and collect the sales tax and license fee for it. AAAA would inform someone at our dealership of the name of the person to whom the car would be registered. Payment would be made to us partly from the individual and partly from AAAA with that part from the individual probably being the down payment or deposit. [fol. 201] The balance was paid either by AAAA or some financing institution. We had no difficulties with AAAA in respect to our receiving payment for the cars that were sold. Under the arrangement with AAAA, we did not ordinarily see the customer. A representative of AAAA would come and pick up the car. AAAA Auto Leasing had a place of business. That was not our place of business. We had no employees there. We had no automobiles there. We did not

control AAAA's hours of operation or the prices they negotiated with customers for whom we supplied the Chevrolets. We did not list AAAA's premises on our applications for a dealer's license as being a branch of our dealership.

Q. You never had any signs or other advertising material indicating that the cars being supplied to the AAAA customers were Allen Gwynn Chevrolet automobiles?

A. We had no signs. The cars had our dealer's license frame on them as they went—

Q. I mean at the business premises of the AAAA Leasing store, did you have any sign saying that "Allen Gwynn Chevrolet cars can be bought here"—

A. No.

We also had a business arrangement with Paul Brockway. Paul Brockway was a salesman for us. A good portion of the time from the summer of 1960 to October 12, 1961 he [fol. 202] was located on our old business premises. The other portion of the time he was a salesman for Art Frost (Rambler) in Highland Park and located there. From January 3 on he was a licensed salesman for Allen Gwynn Chevrolet. He would bring people in that wanted to buy a Chevrolet and we would pay Brockway a commission. Dick Dodge, one of our salesmen, handled both the AAAA people and the potential customers Mr. Brockway would bring in.

Sometime between Christmas 1960 and New Year's Day (1961), Mr. Gwynn and I met with Mr. Roy Cash at his request in the Zone Office in Los Angeles. On that same day I instructed Mr. Dodge to discontinue doing business with AAAA Auto Leasing. Our conversation with Mr. Cash was brief—about 5 minutes. We did not discuss the details of any particular arrangements. Mr. Cash told us that a situation had developed that was a detriment to our franchise system, and that was in selling to discount houses and referral systems, and he hoped that we could see fit, if we were doing it, to discontinue it. And we were so pleased, and thoroughly agreed with him, and we were happy to discontinue, and the meeting was over. After that meeting with Mr. Cash I instructed Mr. Dodge to terminate the relationship with AAAA Auto Leasing.

Q. You and your uncle had the freedom, did you not, at any time prior to talking with Mr. Cash, on your own ini-

[fol. 203] tiative to cease doing business with the AAAA Auto Leasing Service, did you not?

A. Yes.

Q. And you chose, despite the fact that you had the freedom to discontinue it, you chose to continue it right up to the very day you talked to Mr. Cash?

A. That was our choice.

Q. Then you met with Mr. Cash and you decided that you wanted to discontinue doing this business?

A. That's right.

Q. Can you tell us why it suddenly became such a desirable thing to discontinue doing this business that you continued with for several months, suddenly right after talking to Mr. Cash?

A. We were very hopeful if Mr. Cash talked to the other dealers, any other dealers that were doing business as we were, we were hopeful that they would see fit, as well, to discontinue it.

And we understood that Mr. Cash was going to talk to the other dealers.

In or about the first week of January 1961 I received a call from Bruce Jermyn of Courtesy Chevrolet in which he said that somebody had reported one of our cars at AAAA Auto Leasing; Jermyn wondered if we were going along with the program. I said, yes, we were, but we had 10 or 11 [fol. 204] or 12 cars that were on order that we would continue to deliver until such time that those orders were delivered. I said "perhaps the car you have seen is one of those cars." He said "fine, thank you very much." And that was it. I don't usually get calls from my competitors inquiring about the details of my business and this was the first such call from Mr. Jermyn. I was very pleased that he called because I could tell him that we were going along with the program and exactly why this car was there.

Beginning in or about March 1962 and continuing up through December 1963, Allen Gwynn Chevrolet delivered new Chevrolets to persons referred by Dealers Diversified Services, Inc. which operates at the Fedco stores. Mr. Allen Gwynn approved this business relationship.

Cross-Designation by All Defendants

Allen Gwynn Chevrolet is one of several Chevrolet dealerships in the Los Angeles metropolitan area. They and

the dealers of other makes are our principal competition in the selling of Chevrolets. There is intense competition in selling Chevrolets as against the sales efforts of other Chevrolet dealers. In selling new Chevrolets Allen Gwynn Chevrolet has the right to determine to whom its cars will be sold and the right to determine the price at which we [fol. 205] will sell them. We have the right of choice and selection both as to customers to whom we will sell and the prices at which we will sell.

Q. You don't know, then, at what price AAAA resold the car to the customer, is that right?

A. They didn't resell it. We sold the car to the customer, but what price AAAA got over and above the price that we were paid for the car, I do not know.

Q. But they were customers that, but for this arrangement, you probably would not have seen?

A. That is correct.

Allen Gwynn Chevrolet formerly had a location authorized in our Selling Agreement for the sale of new Chevrolets at 1809 South Brand Boulevard, Glendale. Subsequently we moved to a new location, 1400 South Brand Boulevard, Glendale. Under our new Selling Agreement our new car operation was authorized to be located at 1400 South Brand Boulevard, and by April 1961 there was no authorization to continue to use the 1809 South Brand Boulevard address for the sale of new cars; however, when we moved we left two salesmen, Mr. Dodge and Mr. Brockway, back at 1809 South Brand Boulevard. This is where my salesmen, Brockway and Dodge were located when they sold the car in [fol. 206] March 1961 that was shopped. At that time these premises were not authorized as a location for the sale of new cars. This sale by Mr. Brockway had nothing to do with a discount house. It was simply a sale from an unauthorized location. We then completely closed down the store and brought the salesmen up to the new location; took all the signs off the building.

When we resold the shopped car, we did not lose money on it. As it turned out, we sold it as a used car and made an over-all profit on it.

[fol. 207]

R. MITCHEL MC CLURE

Designation by Plaintiff

My name is R. Mitchel McClure. I am the president of Courtesy Chevrolet located at 866 South Western Avenue, Los Angeles. I also own a substantial ownership interest in each of the following Chevrolet dealerships: Courtesy Chevrolet, Phoenix, Arizona; Suburban Chevrolet, Chandler, Arizona; Courtesy Chevrolet, San Jose, California; Courtesy Chevrolet, San Diego, California.

On a day-to-day basis, the business of Courtesy Chevrolet in Los Angeles is conducted by my general manager, Bruce Jermyn.

Between 1955 and 1960 Courtesy Chevrolet has done business with discount houses and referral services, except for one year which I think was 1959 during which I had a policy that we would stay with the retail business. I am not familiar with the names of the discount houses or referral services with which we did business, or the periods of time involved, or the financial arrangements applicable to each such discount house or referral service.

I had a meeting with Roy Cash, probably in December [fol. 208] 1960. My secretary advised me that I was to be in the Chevrolet Zone Office in the office customarily used by the zone manager. Just Mr. Cash and I were present. The meeting lasted about 10-15 minutes.

Probably on this same day of the meeting with Mr. Cash, or within a day or two, I gave my general manager, Mr. Jermyn, instructions to completely discontinue Courtesy Chevrolet's business with discount houses and referral services.

I do not have any interest in any discount houses or referral service. Courtesy Chevrolet does not own any premises or pay part of the rent on any premises used by a discount house or referral service; we do not have any employees located at the premises which discount houses or referral services operate; we have no control over the manner of operation of any discount houses or referral services and to the best of my knowledge have never had any automobiles on display at the premises of a discount house or referral service.

[fol. 209]

WILLIAM C. PIPPIN

Designation by Plaintiff

My name is William C. Pippin. I live at 12641 Hesby Street, North Hollywood, California. I am the General Manager of West Adams Chevrolet. I am in charge of the day-to-day operations of that dealership and am responsible to Mr. Vernon Trider, the owner.

Beginning in early 1959 and continuing to early January 1961 West Adams Chevrolet had an agreement with Fleet Sales Company under which West Adams Chevrolet sold new Chevrolets to persons referred to it by Fleet Sales Company. During that period West Adams Chevrolet did not provide Fleet Sales Company with any advertising materials or cars for display. West Adams Chevrolet had no signs or banners posted at Fleet Sales Company's place of business, and had no salesmen or other persons employed on the premises of Fleet Sales Company. West Adams did not tell Fleet Sales Company how to run its business, nor did West Adams Chevrolet own any interest whatever in Fleet Sales Company or in the premises on which it conducted its business. West Adams Chevrolet did not list the [fol. 210] premises of Fleet Sales Company as a branch location on its application for its dealer license, nor did West Adams Chevrolet during the time of its agreement with Fleet Sales Company regard that company as a branch location of West Adams Chevrolet. Either party was free to terminate the arrangement at any time.

When the arrangement was first made with Fleet Sales Company we paid them a flat fee, \$17.50 as I recall, for each referral whether the sale was made or not. We weren't happy with that arrangement. The people at Fleet Sales Company suggested that I bring in Bernie Dottl from another dealership which we did. At that time we negotiated a new type of compensation under which we paid Fleet Sales Company one-third of the gross profit on each sale made to a referral up to a maximum of \$75. The salesman handling the deal was paid 25% of the gross profit.

Q. And you also negotiated a price at which you would quote automobiles to persons that Fleet Sales Company referred to you, did you not?

A. Not a firm price. In other words, the price was more or less an intangible thing, in a way, that as I understood it, in order to attract the people in, had to be a little bit under [fol. 211] a line price. Different types of the market would control that.

Q. So, it was your intention and the intention of Fleet Sales Company at the time this was made to provide cars to customers they referred at some small savings under what you understood to be the going market for the cars?

A. That is what I assumed, yes, sir.

Q. And that agreement never involved a fixed price but varied from time to time as the market changed, is that true?

A. That's right, yes.

During the calendar year 1960 West Adams Chevrolet sold approximately 142 cars and trucks to persons referred by Fleet Sales Company. Somewhere between the 15th and 25th of January 1961 we discontinued doing business with Fleet Sales Company.

Q. During the month of January 1961 did Mr. Trider tell you that he had had occasion to discuss the subject of selling through discount houses, referral services, or specially with Fleet Sales, with any representative of the Chevrolet Motor Division?

[fol. 212] A. As I recall, he told me he had discussed it with Dick Hawthorne.

Q. Will you tell us who Mr. Hawthorne is, sir?

A. City Sales Manager for Chevrolet Motor Division.

Q. Is he City Manager for the area in which West Adams Chevrolet is located?

A. I believe he was at that time, yes.

Q. Did Mr. Trider tell you about when it was that he met with Mr. Hawthorne and where it was?

A. I believe he told me at one time that he went to the Zone.

Q. After the conversation with Mr. Hawthorne, between Mr. Hawthorne and Mr. Trider, did Mr. Trider tell you whether or not a certain transaction to a man by the name of Teacher was in fact a shopped transaction?

A. Yes, I wasn't at the store at the time of this transaction, but when I returned a day or two later I was informed that this was a shopper deal.

Q. Did Mr. Trider inform you of that?

A. I believe Mr. Trider did when I came in, yes.
 [fol. 213] Q. Did Mr. Trider inform you that he had been informed by Mr. Hawthorne that this was a shopped deal?

A. Yes.

Q. Did Mr. Trider instruct you to have a check made out to Mr. Teacher returning his deposit for this automobile?

A. No. I believe he handled that himself.

Q. Immediately following the conversation with Mr. Trider and Mr. Hawthorne in the Zone Office, did Mr. Trider at that time issue instructions to you to discontinue doing business with Fleet Sales?

A. Well, as far as the timing, I don't know whether it was prior or after; I know that he did tell me that we would stop servicing sales through referrals from Fleet Sales.

On January 23, 1961 I told Mr. Dottl not to honor any more referrals from Fleet Sales Company.

Cross-designation by All Defendants

We weren't happy with the arrangement we first had with Fleet Sales. It was using too much of our sales management time. It was controlled by the sales manager [fol. 214] at that time, and the account was almost deleted out and practically came to a standstill; and then, as I recall, the people at Fleet Sales Company suggested that I bring Bernie Dottl in from another dealership, that he was familiar with it, and that I could negotiate as far as compensation for the salesman to handle the account, and that they would set up a figure that they thought was fair on their end of the transaction. So that became a figure that we discussed at some length with the more or less agreement that we could stop it at any time we wished or renegotiate for a different type of compensation.

[fol. 215]

VERNON R. TRIDER

Designation by Plaintiff

My name is Vernon R. Trider. I live at 2570 Mandeville Canyon Road, Los Angeles. I am the owner of West Adams Chevrolet. I have owned that dealership for 17 years.

I knew and understood that during 1960 West Adams

Chevrolet was selling cars to persons referred by Fleet Sales Company. I approved that arrangement.

Pltf. Ex. 169 is a check from West Adams Chevrolet. The check was for \$25.00 refunding the deposit on a new Chevrolet made by a Mr. G. P. Teacher; I instructed the office manager to issue this check and sent it to Dick Hawthorne, my city manager, at the Chevrolet Motor Division zone office. I had the check issued after I had a conversation with Mr. Hawthorne.

Q. You say Mr. Hawthorne personally called you on the telephone and asked you to come down to the Zone Office?

A. Yes, sir.

Q. At the time you talked with him on the telephone did he tell you what it was that he wanted to talk with you about?

[fol. 216] A. No, sir.

Q. How soon after the telephone conversation, sir, did you actually meet with him? The same day, next day?

A. I would say the next day.

Q. That conversation took place at the Zone Office of Chevrolet on Wilshire Boulevard here in Los Angeles?

A. Yes, sir.

Q. And was there anyone present besides you and Mr. Hawthorne?

A. No, sir.

Q. To the best of your recollection, Mr. Trider, would you tell us what you said to Mr. Hawthorne and what he said to you at that time and place?

A. Well, he asked me if I received Mr. Staley's letter and what I thought about it; and I thought it was very good, backed it wholeheartedly.

He said, "Do you handle any Fedco or More's, or any discount houses?" and I told him, "No, sir, and never have."

He said, "You handle Fleet Sales?"

I said, "Yes, sir, I do."

He said, "Well, it seems to be that everyone is going to [fol. 217] go by interpretation of Mr. Staley's letter, and do you feel the same way?"

I said, "You bet I do. I hope it can be straightened out."

Then he brought this Mr. Teacher's deal up and asked me if I knew Mr. Teacher. And I said, "No, sir, I do not."

At that time he told me it was a shopper. And he still asked me again what I thought about Fleet Sales. I said, "If everyone seems to be in accord to the thinking and interpretation of the letter, and they work on that basis, I am wholeheartedly 100 per cent."

He asked me if I would do it. I said, "You bet I will." I said, "I won't tell you now whether I will or not. I will go back to the store and I will call you in a week's time. When I call you, I will know and satisfy myself that the City of Los Angeles and Southern California is being cleared up."

A week later I called him, I told him I wasn't handling Fleet Sales any more.

Q. Now, Mr. Hawthorne asked you, as I understood your testimony, whether or not you were doing business with any discount houses; is that correct?

[fol. 218] A. Right.

Q. You told him you were not?

A. Right.

Q. You drew a distinction in your own mind between your account Fleet Sales Company and discount houses, did you not?

A. I did, sir.

Q. You were not lying to him when you said you weren't doing business with discount houses?

A. No, sir.

Q. Will you tell us what that distinction was and why you did not classify Fleet Sales Company as a discount house?

A. Because an individual dealer could control our sales, we thought, a little better than discount houses. Our salesman handled the customer and we classified it as a bird-dog fee.

The final decision to discontinue doing business with Fleet Sales Company was not made until a week after my conversation with Mr. Hawthorne. I told Mr. Hawthorne I would let him know in a week. I wanted that week to make sure that the other dealers, or most of them, had stopped their business dealings with discount houses. In the week between our conversation in the zone office and [fols. 219-220] the time I called Mr. Hawthorne I was satisfied that the other dealers had stopped. My decision was dependent on ascertaining that the other dealers in the Los

Angeles area that were doing business with discount houses and referral services had stopped their dealings.

[fol. 221]

ERNEST F. PORTER

Designation by Plaintiff

My name is Ernest F. Porter. My home address is 438 Oxford Drive, Arcadia, California. I am the president of Ernie Porter Chevrolet located in Pasadena. I have held that position for about 8 years.

Prior to January 1961 Ernie Porter Chevrolet was doing business with Fleet Sales Company and with Castle Sales, Inc. for approximately one year and approximately two years, respectively. During that period neither Ernie Porter Chevrolet nor I personally owned any interest in either of these companies or in the Thriftmart Grocery Co. which owns the More Stores in which Castle Sales, Inc. was located. Ernie Porter Chevrolet never had any of its sales personnel or any personnel on our payroll located at either the location of Fleet Sales Co. or any of the locations operated by Castle Sales, Inc.; nor did we at any time make available to either Fleet Sales Company or Castle Sales, Inc. a new Chevrolet for display at any location; nor did we ever advertise that a person could purchase an automobile from Ernie Porter Chevrolet by going to the location of Fleet Sales Company or any of the locations of Castle [fol. 222] Sales, Inc.

In late December 1960, in close proximity to my receipt of a letter from Mr. Staley addressed to all Chevrolet dealers dated December 29, 1960 (Pltf. Ex. 121) one of the secretaries at the Chevrolet Zone Office called and asked me if I could come down to the Zone Office the following day. At the zone office I met with Mr. Roy Cash, the Chevrolet Regional Manager. I can't remember having had occasion to meet with Mr. Cash in a personal and private meeting of this sort since he was appointed Regional Manager. On occasions we had various meetings that I attended where I could have talked with him, but I don't remember just where and when.

Q. At that meeting at the Zone Office, Mr. Porter, will you relate to us as best you can recall what you said to Mr. Cash and what Mr. Cash said to you?

A. Just exchanged a few words about our families, and if I remember Mr. Cash asked me what I thought about this type of selling through discount houses. I told him that I thought it was a very poor way to merchandise automobiles, it wasn't a profitable way to merchandise automobiles. I [fol. 223] said, "I am in favor of stopping it." The fact is that I told him that I was going to stop immediately, stop this type of selling.

Q. You told him right then and there that you were going to cut this out?

A. Yes, I did.

Q. Well, did Mr. Cash discuss with you at that time whether or not you were paying for advertisements from More, Incorporated?

A. No.

Q. Did he discuss with you whether or not you were furnishing literature to them?

A. No.

Q. Did he discuss with you whether or not you were furnishing them order blanks?

A. No.

Q. Did Mr. Cash tell you that your business relationships with their Castle Sales or with Fleet Sales was a violation of your Dealer Selling Agreement?

A. No.

Q. No discussion about the Dealer Selling Agreement at all, was there, Mr. Porter?

A. Not that I remember, no.

[fol. 224] Q. You understood, did you not, from the conversation that you had with Mr. Cash, that it would be a pretty good idea to stop doing business with Fleet Sales and Castle Sales?

A. It influenced me.

Q. It was, in fact, the major reason that you stopped doing business with Fleet Sales and Castle Sales, was it not, Mr. Porter?

A. I'd say that influenced me to make my decision at the time I made it.

Q. Did you, after meeting with Mr. Cash, instruct anyone

in your dealership to end the business relationship with Fleet Sales and Castle Sales?

A. Yes.

Q. Who was it that you gave those instructions to?

A. Mr. Vogan.

Q. Will you tell us, sir, as best you can recall, what you told Mr. Vogan?

A. I—Bill Vogan and myself had talked on quite a few occasions about discontinuing this kind of business. I just told Bill Vogan, I says, "Well, I am sure that Chevrolet doesn't want this kind of business and after talking to Chevrolet, I made up my mind it's a good time for us to make up our mind, and I have decided that we are going to [fol. 225] stop this, this type of business."

Q. Did you tell him that you had talked with Mr. Cash?

A. Yes.

Q. Did you tell him that that was an influencing factor in making this decision?

A. Not in that many words.

Q. Did you tell him you were stopping because of pressure from Chevrolet?

A. No.

Q. In your conversation with Mr. Cash, did you ask or did he volunteer any information as to whether or not he was going to talk with other dealers in connection with their selling activity to discount houses or referral services?

A. I believe he may have said that he had some other dealers to talk to. I say he might have. I really don't know—I don't remember for sure whether he did or he didn't.

Q. Were you concerned about the fact that other dealers might be continuing to do business with discount houses or referral services and you had given up that business?

A. I would say no, I was not concerned personally. [fol. 226] Pltf. Ex. 181 is a check of Ernie Porter Chevrolet dated January 21, 1961, made payable to Gus Teacher in the amount of \$25.00. I authorized the payment of that sum to Mr. Teacher. I do not now remember whether at the time I authorized this check I knew if Mr. Teacher was going to pretend he was buying a car through Fleet Sales Company. I personally had nothing to do with this so-called shopping expedition. This was Mr. Miller's and Mr. Vogan's innovation. The check was for services rendered

by Mr. Teacher and was not the money he used to put a deposit on a car at West Adams Chevrolet.

I had occasion to see the original or a carbon copy of the Teacher invoice.

Q. And who brought it to your attention, sir?

A. Mr. Vogan.

Q. And what did you do with it, sir?

A. I believe I called Mr. O'Connor and told him about it.

Q. Why did you do that, sir?

[fol. 227] A. Well, Chevrolet was trying to stop, stop this activity, and—

Q. And you were going to help them?

A. Call it whatever you want to.

Q. And were you concerned about the fact that West Adams Chevrolet was continuing to do business with Fleet Sales Company after you had stopped?

A. Well, I knew you were going to ask me about these deals, and I still personally wasn't, wasn't concerned, because I wasn't going to start selling them again, but I had a man that was concerned in my organization, and he liked this type of business.

Q. Mr. Miller?

A. Yes, yes; and he of course had—evidently he heard that this was still going on and that somebody else was selling his accounts, and he was quite upset about it; and, nevertheless, I did—as I said, I called Chevrolet, and—

Q. So, at the time Mr. Miller was pretty upset about it, is that right?

A. Yes.

Q. And when he thought somebody was continuing to do business—

A. Yes.

[fol. 228] Q. —with Fleet Sales?

A. That is right.

Q. Did Mr. Miller urge that you engage in this shopping activity, Mr. Porter?

A. He didn't talk to me about it.

Q. Did he talk to Mr. Vogan?

A. He talked to Mr. Vogan.

Q. And you are not sure, now, whether you knew about it in advance or not?

A. No, I am not.

Q. But you did bring it to the attention of Mr. O'Connor, did you not?

A. Yes.

Q. And you did that in the hope that he would see to it that West Adams Chevrolet dropped the Fleet Sales account, as you did, did you not?

A. Well, I did not know what action they would take on it, and I don't know about—

Q. Wasn't that your intention in bringing this information to his attention?

A. Well, Chevrolet was trying to stop this kind of business, and so I thought if this would help them, I'll help them.

Q. Then, you were concerned about whether or not other [fol. 229] dealers were doing business with discount houses and referral services, were you not, sir?

A. Well, I personally was not.

Q. But you thought you would be a good guy and let General Motors know about it?

A. Maybe that's the answer.

Pltf. Ex. 182 is a check of Ernie Porter Chevrolet dated February 28, 1961, in the amount of \$25.00 made payable to Inez Oelwein.

I signed that check. The check was in payment for services rendered. The services consisted of shopping for a new Chevrolet through Castle Sales.

Pltf. Ex. 141 is a handwritten report of eight pages, signed by Inez Oelwein.

This document was given to me by Mr. Vogan. I think I then mailed it to Mr. O'Connor. I think I called Mr. O'Connor and explained what Vogan had had here, and I think he asked me if I would mail it to him.

Cross-designation by All Defendants

I agree with Mr. Charles Miller's testimony regarding the manner in which Ernie Porter Chevrolet did business with both Fleet Sales and Castle Sales. The method he de-[fol. 230] scribed is accurate to the best of my knowledge.

On frequent occasions in the years 1959 and 1960, and probably even in 1958 my accountant and business manager brought to my attention the profitability or lack of profitability in selling through discount houses and referral services. He questioned me on a lot of occasions as to whether

or not we should continue this kind of business. We paid 33 $\frac{1}{3}$ percent out of our gross profit to Castle Sales or Fleet Sales.

As to why I engaged in discount house selling for the past two years before the meeting with Mr. Cash despite the fact that I thought it poor and unprofitable merchandising is a hard question to answer. It's a hard question to answer why you do anything wrong. We make mistakes in business. Sometimes we sell a car at a loss by poor trading. There are lots of reasons. You just do something. I had stopped on other occasions. I did stop selling, this discount selling. Then I don't know, Charles Miller came up with this one deal, first More Incorporated, and I went along with that one with him; then he picked up this Fleet Sales, so we let [fol. 231] him go along with that.

No one in the zone office of the Chevrolet Motor Division asked me to keep an eye on other dealers and bring to Chevrolet's attention any facts concerning whether or not other dealers in this area were doing business with discount houses and referral services.

[fol. 232]

JOHN N. ARMOUR

Designation by Plaintiff

My name is John Armour. I live at 1506 North Olive in Santa Ana, California. I was formerly business manager and am now comptroller of Eddie Hopper Chevrolet in Garden Grove. Eddie Hopper Chevrolet was a member of Losor Dealer Association in 1960 and 1961. During 1960 and 1961 my responsibilities as business manager were for the accounting, advising Mr. Hopper on various aspects of the business, calling to his attention things that might affect the operation of the dealership.

Eddie Hopper Chevrolet was one member of Losor which never had any dealings at all with discount houses or referral services. Eddie Hopper Chevrolet maintained a position in opposition to discount house merchandising of Chevrolet automobiles. Mr. Hopper frequently discussed with me discount houses and various of the problems arising out of such merchandising. We discussed it generally,

the effect on our business operations and the loss of sales. It certainly was not having a favorable effect on our business. With respect to the loss of sales Mr. Hopper said that the sales organization was dissatisfied because of the fact that we would have a deal about closed and then lose [fol. 233] the sale to a discount house. In some cases, we had cars ordered for people and the deals were cancelled.

Mr. Hopper originated conversations with the Zone Office about the discount house problem in that he was protesting all of the time about these sales. I don't know who he talked to, but he was raising objections to these sales, because we had in the neighborhood of five of these discount houses surrounding us and we had constant competition from them. A little bit farther away there were about five more. So you can see that that affected our situation considerably. And he was protesting this all the time. I don't know for a fact that Mr. Hopper ever talked with Mr. Jere Faust, Assistant Zone Manager, but I know that he spoke with someone at the Zone Office. I would assume that he spoke with somebody there on more than one occasion because he was very active in opposing the discount house sales.

Nine employees of Eddie Hopper Chevrolet sent letters to the Central Office of General Motors at some time in the middle of November 1960. I would say that Mr. Hopper was a strong advocate of abolishing discount house merchandising of Chevrolets. And I think it is reasonable to [fol. 234] to say that he had expressed at one time or another to me during the year 1960 his desire to do all he could to help eliminate this problem.

Mr. Hopper, as of June 9, 1960, did not come to me and say anything about going out and investigating the discount house situation. I saw an ad in the paper advertising a location where you could get cars at a considerable discount. I called this to Mr. Hopper's attention and suggested to him that I go out and visit the Leonard Discount Store in Garden Grove to find out everything I could about it. I knew this type of operation would affect our dealership. In addition to going out there to see if Chevrolets were available to the public, it was also my purpose to ascertain where they were coming from. I did not purchase an automobile from Leonard's as a result of my visit there. In a letter addressed to Mr. O'Connor, Zone Manager,

dated June 9, 1960 (Pltf. Ex. 170) details of my visit to Leonard Store are reported by me.

After the beginning of January 1961 I had discussed with Mr. Hopper about stepping up my individual effort Eddie Hopper Chevrolet in an attempt to further call attention to the fact that this discount house merchandising [fol. 235] still going on. Specifically, I talked with about the possibility of actually going out and attempting to purchase an automobile. I think he came to me about He told me that he had been requested to buy a car. There is a letter that specifically sets forth that he was requested to purchase a car. (Pltf. Ex. 133, letter to Jere Fa Assistant Zone Manager, from Mr. Hopper).

I actually purchased and took delivery of a car, I believe on February 22, 1961. There was an order placed before that through the Gemco organization on their order form. I was a member of Gemco at that time, and that was probably one of the reasons why I thought it might be convenient to go back to the Gemco Store to purchase the car. Mr. Hopper advanced me the money. He wrote a check made out to me as payee which I deposited and it was understood that when I made payment on the car I was to write my own check. Naturally, I was buying the car as an individual. Mr. Hopper didn't say anything about wanting the Gemco Store to learn that Eddie Hopper Chevrolet had intended to shop this store, but that was perfectly obvious. When I went to make this purchase I insisted I must go and pick up the car, that I wouldn't allow anyone else to drive my new car. And if I couldn't get delivery [fol. 236] that way, I wouldn't take it. And they assured me that they would be happy to take me to the place where we were getting delivery of the car. I wanted to find out where they got the car. After I purchased the car, Wondries Chevrolet I brought it back to Eddie Hopper Chevrolet, along with a copy of the order, and we had a service policy and so on. I turned the keys over to Mr. Hopper. Approximately the next day Mr. Hopper told me that Wondries was coming to repurchase this car. I never learned the circumstances surrounding the repurchase of this automobile by Wondries Chevrolet. Mr. Wondries did not see me when he came down to the agency. I do not know who he talked to. However, he made his check for the repurchase of the car payable to me.

Q. Mr. Armour, isn't it a fact that one of the reasons you and Mr. Hopper were so concerned about the discount house method of merchandising was because you would find yourself in a posture where you would have to reduce your gross profits, and this would tend to drive your gross profit picture down?

A. Well, he wouldn't do business on that basis. He was going to fight it, try to eliminate it.

Q. But wasn't it a fact, Mr. Armour, that in order to meet the competition of this new form of merchandising [fol. 237] you would have had to reduce your gross profits in order to retain some of these customers who were walking out of your dealership, even after they had placed orders for their cars?

A. Oh, yes, naturally, you would have to cut down your gross profit.

Cross-designation by All Defendants

Eddie Hopper is now deceased. He died December 16, 1961.

During 1960, Mr. Hopper was raising objections to discount house sales of Chevrolets because we had in the neighborhood of 5 of these discount houses surrounding us and we had constant competition from these discount houses. A little bit farther away there were about 5 more so that you can see that that affected our situation considerably and he was protesting this all the time.

This discount house selling was affecting our profit. We have got a large investment in the business and we have got to make money to pay employees. We have 135 employees and that's an expensive operation. We have got to have sales and keep our gross profits up to maintain that organization.

[fol. 238] In June 1960, I noticed an ad in the local paper from Leonard's new store in Garden Grove that a person could purchase new cars through their store. I called this to Mr. Hopper's attention and I suggested to him that I investigate it personally. I originated this to find out what was going on. We had been hearing about this and I suggested to Mr. Hopper that I do it. He thought it was a good idea. I knew that this type of operation would affect our dealership from my experience. I have been connected

with the automobile business for approximately 40 years. During this time I have not only audited dealerships but I have been actively engaged in their organization. I wanted to find out everything I could about this type of operation at the Leonard's store. I wanted to find out if Chevrolet automobiles were available to the public out there. I was not concerned as to whether you might be able to purchase some other type of automobile out there. I was primarily interested in whether you could buy a Chevrolet by going to a discount house.

When Mr. Hopper came to me and suggested I buy a car, he just suggested "see if you can buy a car." He said, "I don't know how we will come out on this deal. We want to pick out a car that we can sell, something that we know [fols. 239-240] we can sell readily." He anticipated that Eddie Hopper Chevrolet would have to keep the car once it was purchased.

[fol. 241]

RUSSELL DE ORTO

Designation by Plaintiff

My name is Russell De Orto. I reside at 10462 Schooner Avenue, Westminster, California. I own a small business called Sales Research Company in which I make tape recordings of salesmen's techniques to help management and salesmen improve their sales presentation. Most of my clients are automobile dealers. For 16 years prior to 1960 I was a licensed private investigator in California.

One day in or about February 1961 one of my salesmen was attempting to sell my service to Eddie Hopper of Eddie Hopper Chevrolet, Garden Grove. Hopper told the salesman he was not interested in such a service but that either a Mr. Henson or a Mr. Johnson at Harbor Chevrolet in Long Beach should be contacted. I called Harbor Chevrolet and spoke with either Henson or Johnson. I made an appointment to see Johnson and met with him at the offices of Harbor Chevrolet sometime in late February or early March. I had only a short conversation with Johnson who told me that they had something I could do but that I would have to discuss it with Mr. Henson who was not there at the time.

[fol. 242] A few days later I met with Henson and Johnson at Harbor Chevrolet. Henson told me that he was president of Losor Chevrolet Dealers Association, and that they were looking for someone to make tape recordings; that they had made a few tape recordings which were not satisfactory; that they wanted someone to go to various discount houses and purchase new Chevrolets or attempt to purchase new Chevrolets and make recordings of the conversations. Henson explained that I could not do this job in the same way as I did my normal sales recording activities, that several trips to a given place might be involved and that they wanted me to put quite a lot of time into it.

Henson wanted to know what I would charge. I told him I wanted \$1000 per month. Henson was unable to tell me how long the job would last but indicated it might go on for a year. My price was based on about 40 hours of work per week and included mileage and other expenses. Henson told me he thought the price was a little high, but I did not offer to reduce it. Henson told me that he would have to contact some other people before making any commitment. Henson did not explain to me the purpose of his making the tape recordings and/or buying the Chevrolets.

[fol. 243] Within a few days after this first meeting with Henson, I called Henson and he told me that I had the job. I went to Harbor Chevrolet and met with Henson and Johnson again. At this meeting they gave me a list of the discount houses within the greater Los Angeles area which were believed to be selling Chevrolets. I was told to buy a Chevrolet or attempt to buy one at these (or other) discount stores, and to make a tape recording of each conversation involved in each purchase or attempted purchase. I was specifically instructed that I was to ascertain from the discount store where the Chevrolet was actually coming from, who would furnish the warranty and who would do the servicing. At this meeting Henson told me that he had talked with representatives of the other two Chevrolet dealer associations and that my employment was agreed to by them. Shortly after I started on this assignment—I know it wasn't the first two or three days, but later on—Mr. Johnson and Mr. Henson instructed me to check to see whether discount houses had licenses to sell cars. On the day that I first met Mr. Roberts, Mr. Johnson and Mr. Henson brought up the fact that they had previously in-

structed me to check the discount houses to see if they had licenses. Mr. Roberts instructed me to ascertain, if I could, whether or not any of the discount stores and referral [fol. 244] services to which I went had automobile dealer licenses. This meetings took place at Mr. Roberts' office.

During the period from March 9, 1961 through May 6, 1961, I personally, or other persons whom I appointed, purchased seven new Chevrolets. The following list indicates the date of purchase of each of these cars, and the name and location of the discount store and Chevrolet dealer involved:

Date	Discount House	Source of Supply
March 7, 1961 *	Leonard's Discount House, Garden Grove	Tom Mahon Chevrolet, Ojai
March 8, 1961 *	Car Wholesalers, Studio City	Kendall Chevrolet, Redondo Beach
March 9, 1961 *	Gemco Store, Anaheim	Ed Priester Chevrolet, Montrose
March 23, 1961 *	ABC Discount Store, Santa Ana	Enoch Chevrolet, South Gate
March 25, 1961 **	Diamond Realty Company, North Hollywood	Citizens Chevrolet, Eagle Rock
April 13, 1961 **	ABC Discount Store Santa Ana	(No car purchased)
April 20, 1961 **	Brockway Auto Outlet, Glendale	Allen Gwynn Chevrolet, Glendale
May 6, 1961 **	Union Store, Claremont	College Chevrolet, Claremont

[fol. 245] While engaging in each of these transactions I had a tape recorder concealed under my coat, with a hidden microphone looking like a wristwatch or similar article. The purchase from Diamond was made by me under the assumed name of Wolfe; the purchase from Union Store was made by me under the assumed name of Ratley. In connection with each purchase I was given a cashier's check either by Marion Johnson or by Glenn Roberts to use in paying for the car. A single asterisk after the date, above, indicates that Johnson furnished the cashier's check to me; a double asterisk indicates that Roberts furnished the check to me. After each purchase except the April 13, 1961 transaction had by Dennis Morse with the Econo Car Center at the ABC Discount Store, I turned over the car (or a garage ticket for

the car) to Mr. Johnson or Mr. Henson at Harbor Chevrolet or to Mr. Roberts. In each instance I turned over all audible tape recordings of my conversations to Johnson, Henson or Roberts. I had no contact at all with any representative of General Motors during this period. In addition to the above purchases, I made trips to some additional discount houses and tried to buy a car and either didn't or couldn't. (Pltf. Exs. 187, 188, 186, 189, 190, 193, 191.)

At some point during this shopping activity I knew and [fol. 246] understood that there was a campaign going on designed to eliminate the sale of Chevrolets through discount houses and I understood that "my role was to find out what discount houses were selling new Chevrolets."

Cross-designation by All Defendants

During this entire period of time I never related any of the information I accumulated to any representative of General Motors Corporation. I received no payment of any sort from General Motors Corporation.

I recall right after I started buying cars, after about the second buy I made, Mr. Henson chastised me for paying too much money for the cars. He said, "After all, we have to sell these things." And I assumed, at that time, that they would have to be sold. They furnished me a little chart I believe automobile salesmen use which stated the proper prices to pay for these cars. At the time they furnished me with that chart they said, "From now on don't pay too much for these cars, because they are going to have to be sold." After that I did a little more dickering with the individual people that I bought the cars from, because I was under the impression that they would have to be sold. If I paid too much for them, they couldn't break even.

[fol. 247] Additional Cross-designation by Defendants

Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Chevrolet Dealers Association

We quite frequently shop to determine the prices at which a merchant's competition is selling products for, but the purpose for which I was hired was not explained to me in that way.

Both Mr. Johnson and Mr. Roberts instructed me to ascertain whether the discount stores and referral services I

visited had automobile licenses—the former shortly after I was hired, and the latter on the first day I met him.

Department stores have shoppers that go around to determine the manner in which competitors treat their customers and to determine the prices that competitors are getting for their products. Also, the government makes recordings when it is determining facts pursuant to an investigation.

While my business is about 95% to 98% involved with automobile dealers, there are others who shop for department stores, service stations, tire companies and other merchants. We have made tapes for tire companies and for individual service stations, department stores, and a few other industries that I don't recall right now, but our specialty is automobile dealers. It is not considered unethical [fol. 248] in the field of investigation to make a secret tape recording as long as it is done legally.

As part of my assignment in shopping for automobiles, I was instructed to analyze the sales technique of the persons at the discount houses. It seems to me it was Mr. Johnson who instructed me in the course of my dealings with these people to get an idea of how they were treating the public, but this was not the sole purpose of my employment.

In doing this, I did talk with some of these salesmen and their approach was not in line with the average ethical dealer.

[fol. 249]

JERE FAUST

Designation by Plaintiff

My name is Jere Faust; my address is 1818 Quito Way, La Canada, California. I am the Assistant Zone Manager of the Los Angeles Zone of the Chevrolet Motor Division of General Motors. I have held this position since November 1959. I have been employed by General Motors 28 years.

As assistant zone manager my area of responsibility is what is known as the single city area comprising all dealers outside of the metropolitan city. Until early 1961 Orange County was a part of the single city area. My duties fall into three broad areas. First I would say would be the maintenance of a strong, stable, quality dealer organiza-

tion. Secondly, would be to assist the dealers through analyses and presentation of programs, help them realize every sales and profit opportunity in all departments of their business. Thirdly, would be the supervision and training of the District Managers and Department heads. I report directly to Robert O'Connor, Los Angeles Zone Manager.

I first learned that Chevrolet dealers in the Los Angeles Zone were selling cars through discount houses and referral [fol. 250] services in November or December 1959, just after I arrived here. I learned of this through complaints from some dealers in my area. Those who I recall complaining were Eddie Hopper, Mr. Cone, Mr. Ayres, Mr. Lockney, and Mr. Steves, all of whose dealerships were located in Orange County. I believe that the first dealer to complain to me was Eddie Hopper. I don't report to Mr. Young but I mentioned these complaints that the dealers had been giving me and asked him what we could do about it and he said there is nothing we could do about it. I told some of the complaining dealers what Mr. Young had told me and they were unhappy about it. I also reported these complaints from dealers regarding discount houses and referral services to Mr. O'Connor during both 1959 and 1960. Mr. O'Connor said there is nothing we can do about it.

Q. What was the nature of the complaints you received from the Chevrolet dealers in Orange County?

A. They complained about the discount houses advertising new Chevrolets; they complained about salesmen soliciting prospects, that they couldn't get on deals because of the discount houses making the deals first; they complained [fol. 251] about literature being available to discount houses.

Q. Who complained about literature being available to discount houses?

A. I believe that was Mr. Hopper.

Q. When did he complain to you?

A. He had numerous complaints.

Q. Did any of the dealers mention the fact that the discount houses were creating price competition?

A. That was part of the complaint, yes.

Q. Did they tell you they were losing sales because of the discount houses?

A. They seemed to be more concerned about the fact that they weren't getting on the deals.

Q. Can you explain that a little bit?

A. From the standpoint of the membership discount houses, in particular, there was an element of impulse buying, and the salesmen would complain that the people, the customer had purchased their car before they could give them the sales pitch and the demonstration.

Q. Were the dealers concerned about their gross profit picture?

A. Yes.

[fol. 252] Q. Did the dealers state that the discount houses and referral services were hurting their gross profit picture?

A. Yes.

Q. What dealer stated that, do you remember?

A. Mr. Hopper, along with his many other complaints.

Q. Did Mr. Cone state so?

A. I believe he did. I can't remember specifically.

Q. What did Mr. Hopper state about the discount houses and referral services hurting his gross profit picture?

A. He indicated that in addition to this area of not being able to get on the deals, that when a salesman would work up a deal, the prospect occasionally went to a discount house and apparently got a better deal. He didn't quote me any figures that I recall.

Q. Did he tell you that people came in from the discount house and referral services with price quotes and were comparing them against his prices?

A. I believe he did.

Q. Did he tell you he was losing deals because he couldn't [fol. 253] match those deals?

A. I believe he did.

In early 1961 Mr. O'Connor, the three city managers and I had a meeting at which we discussed the subject of discount houses and referral services. At that meeting O'Connor reviewed a letter that had been written by Mr. Staley in regard to this activity and said that Mr. Cash had discussed this matter with dealers who had been supplying discount houses and that the dealers had decided to stop. O'Connor said that some of the dealers felt that other deal-

ers might be picking it up if they did stop. O'Connor asked me to call a number of my dealers and inform them of this conference and also to ascertain if they had received and read Staley's letter. O'Connor also asked me to tell the dealers that we hoped no dealer would pick up any of the discount house or referral service business.

Q. Did you call your dealers?

A. Yes.

Q. What did you tell them?

A. I recall asking them if they had received Mr. Staley's letter and if they had read it. I recall mentioning that Mr. Cash had discussed the matter with the supplying dealers. [fol. 254] I also mentioned that we hoped that they would not pick this up. And I believe I told them to observe if the activity was continuing and let me know.

I called Jack Coyle of Jack Coyle Chevrolet, San Bernardino, and had a discussion with him concerning what Mr. O'Connor had told me, insofar as the provisions of Mr. Staley's letter were concerned—I asked him if he had read it.

The next to last paragraph of Pltf. Ex. 122, a letter from Mr. Coyle to Mr. Staley dated January 4, 1961 reads:

Yesterday, January 3rd, our assistant zone manager, Jere Faust, called to tell me of a meeting held last week in Los Angeles by Mr. Roy Cash and some of the offending dealers. He reported that the dealers agreed to discontinue the practice immediately, and I hope the agreement will be honored by all parties.

Q. Does the first sentence summarize what you told Mr. Coyle?

A. In addition to other things, yes.

I would say that I told the other dealers I called substantially the same.

[fol. 255] Pltf. Ex. 133 is a letter from Eddie Hopper, Eddie Hopper Chevrolet, Garden Grove, to Mr. Faust, dated January 26, 1961, the first two sentences of which read:

We have complied with your telephone request to contact the Gemco organization in regard to the purchase of a new car. This contact was made by John N. Armour who requested prices on a four-door Monza.

Q. Does that first sentence correctly state the fact, that you requested that the Gemco store be shopped?

A. I think it was in a way of complying with Mr. Hopper's insistence with me on this thing. This was late in January. He felt this thing was continuing. He said he could get proof. There were a number of calls of this nature. At this particular time I believe he told me he had a man that could do it. He would dispose of the car. I said, "Eddie, I will call you back," or words to that effect.

After discussing the matter with Mr. O'Connor, I said—I called him, it was a telephone call—I said, "I want you to go ahead and buy the car from Gemco."

[fol. 256] Q. What did you tell Mr. O'Connor concerning this matter?

A. I said Mr. Hopper was quite insistent that the activity was still continuing and Mr. Hopper was in a position to give us proof, and that I wanted to let him go ahead.

Q. What do you mean by Mr. Hopper was insistent?

A. He was continuing his complaints that the discount house activity was still going on.

I got a number of calls similar to the call I received from Mr. Hopper, similar in that the complaints were that it was still going on. Most of the Orange County dealers would call me. In fact, when we were talking of other business they would mention this thing.

Mr. O'Connor, the three city managers and myself made up a list of discount houses and referral services. It was a consolidation of the unauthorized outlets. I read the names on this list at dealer meetings held in San Diego, Fontana, Bakersfield, and Santa Barbara, as part of the general meeting program. This discount house activity had been quite extensive for a period of time. The dealers [fol. 257] were quite concerned about it. And I recall in the meeting I asked the dealers if each of them had received Mr. Staley's letter and if each of them had read Mr. Staley's letter; and I told them that there seemed to be universal accord that they were entitled to know the discount house or unauthorized outlets as we knew them at that time, and I read the list for their information. I told them that it was just for their information. I don't think I would have told the dealers that they should not do business

with any of the people whose names were on the list that I read off.

Q. And you were reading off the list primarily of discount houses and referral services, which were located in the Los Angeles area?

A. Yes.

Q. Did you anticipate that the discount houses and referral services were going to go to outlying dealers in an effort to obtain cars?

A. Yes.

Q. And why did you anticipate that?

A. I had had dealers telephone me about their approaches.

Q. But do you know why the discount houses and referral services were now going to outlying areas?

[fol. 258] A. Well, their source of supply in the city apparently had been stopped.

Q. And it was your purpose in reading the list to discourage the people in the outlying area from picking up where the city dealers left off?

A. Yes.

Cross-designation by All Defendants

The responsibility in the Los Angeles Zone, because of the volume—the large amount of work—is divided among four people depending on the area to which they are assigned. For example, in the metropolitan area we have three divisions—north, west, and east, and there are three city managers, one assigned the responsibilities in each area. My area of responsibility is what is known as the single city area comprising all dealers outside of the metropolitan city.

I am called Assistant Zone Manager. There are three city managers, but I am not “over” them in any way. So far as the corporate structure is concerned, we are on the same “level”—that is—I have no more authority with respect to my local city areas than the City Managers with respect to their urban areas, and I don’t supervise any of the City Managers. When the Zone Manager is away either [fol. 259] a city manager or myself would be in charge—usually the Senior City Manager. With respect to seniority, I am, you might say, low man on the totem pole.

I recall that at the meeting in early January 1961 Mr. O'Connor quoted two paragraphs from Mr. Staley's letter (Pltf. Ex. 121)—the one which says:

"In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Chevrolet Dealer Selling Agreements."

and the one saying that the Chevrolet wholesale personnel would review the letter with the dealers. Mr. O'Connor said that this was an expression of corporate policy.

This was a position that we had been waiting for. In early 1959 and early 1960 the situation had grown to an extraordinary thing of unusual proportion and under those circumstances we would want a ruling or stand of some kind on the part of General Motors Corporation. We did not have any at that time. That is why we had said at that time that there was nothing we could do about it. In [fol. 260] the Staley letter we had a stand established by the corporation as to our position. We had instructions from the general sales manager to discuss this matter with each of the dealers in the area where the activity was going on, from the standpoint of this relationship to the Selling Agreement, product good will and the dealer franchise system. That was as far as my authority went at that time.

As Assistant Zone Manager I do not have any authority to interpret the Dealer Selling Agreement, or decide what is or what isn't a violation. I do not have any authority to enforce that agreement in terms of telling a man he had better quit or his franchise will be terminated. We don't make the decision in the zone office as to whether a dealer will be terminated or cancelled. That decision is made in the central office. So we could have discussed this thing of violation of the Selling Agreement under the viewpoint of Mr. Staley's letter but the actual termination is not done at the local level. In the case of a violation of the Dealer Selling Agreement, I do not go and tell the dealer that he is about to lose his contract because he is violating it. We [fol. 261] are a service organization, in a sense a selling organization; we endeavor to point out to the dealer the advantages of having adequate facilities, or a sufficient number of men in the sales force, or sufficient number of

service technicians—the advantage from the standpoint of taking care of the owner and enhancing the dealer's profit. We counsel with the dealers. What we try to do is try to show the dealer the advantages to him and Chevrolet of doing the things that the contract requires.

[fol. 262]

MAX A. YOUNG

Designation by Plaintiff

My name is Max A. Young. I reside at 1828 S.W. Eagan Way, Lake Oswego, Oregon. I am at present Zone Manager of the Portland, Oregon Zone of the Chevrolet Motor Division of General Motors. I have held that position since January 1, 1962. Prior to that time, from July 1957 until December 1961, I was a City Manager in the Los Angeles Zone of the Chevrolet Motor Division. From September 1956 to July 1957 I was an Assistant City Manager in the Los Angeles Zone. I have been in the Chevrolet Motor Division for over 16 years as district manager, assistant zone manager, city manager and now zone manager.

Shortly after I arrived in Los Angeles in September 1956, I learned that new Chevrolets were being sold or delivered through discount houses in Southern California. I imagine that I discussed the subject with Mr. Hart who at that time was Zone Manager, but I can't recall any conversation. I believe I first discussed the subject of discount houses with Mr. O'Connor shortly after he became Los Angeles Zone Manager in early 1958.

[fol. 263] I learned about the discount house situation mainly from complaints of dealers who were in my geographic region. I can't recall the dealers who complained to me but quite a few of the dealers in the South Metropolitan Area and in the East Metropolitan Area which was the Long Beach area extending into Monrovia, Glendora, quite a few of those dealers had brought the complaints to my attention.

In about mid-year 1960, the discount house merchandising of new Chevrolets developed into what might be described as an acute problem. At that time it was a growing thing in terms of volume. In other words, there were more of these

cars being sold through the discount houses, practically every month it was growing. At least the complaints from the dealers stated that to be the truth. The dealers were bringing this to my attention with increasing emphasis and with increasing frequency. By around May or June of 1960 the Los Angeles Zone office was well aware of the nature of the discount house situation and the fact that many dealers were complaining in respect to it. This matter was discussed frequently with Mr. O'Connor and among the city managers themselves. During this period, Mr. O'Connor said that there was nothing the Zone Office could do in [fol. 264] respect to this situation, but that he intended to and would discuss this matter with his superior, Mr. Roy Cash.

In late December 1960 I received instructions from Mr. O'Connor to call Messrs. Bruder, Gwynn, Biggs, Porter, Newman and McClure and there may have been others. I called each dealer and talked with him in person to arrange an appointment for that dealer to meet with Mr. Roy Cash. I told each dealer he was going to meet with Mr. Cash, but did not tell them the subject matter of the meeting because I didn't know that.

In late December 1960 or early January 1961, I was instructed by Mr. O'Connor to call each dealer in my particular zone to discuss the Staley letter (Pltf. Ex. 121) with reference to whether they received the letter, and had they read it, did they understand it, and to get a brief resume of the dealers' thinking, of what their reaction was to the letter, and to our stand on this. I did, in fact, call each of my 35 dealers in person or by telephone.

Government Exhibit 141 is a handwritten report and has an invoice of Citizen's Chevrolet attached to it. I was given [fol. 265] this document by Ernie Porter at his dealership. He told me that this was a shopping deal that he had shopped. He found out that cars could still be purchased through discount houses. I took this back to the Zone office, showed it to Mr. O'Connor and called Mr. Newman of Citizens. I asked Mr. Newman to contact Mr. Porter and arrange to have the deposit on the car refunded.

In early 1961, Mr. O'Connor gave me some documents and a tape recording pertaining to an automobile delivered by Ed Priester Chevrolet to Russell De Orto. Mr. O'Connor

asked me to contact the Priesters and discuss this with them. I called Mr. Priester and his son and asked them to meet me at the zone office, which they did, and I played them the tape of the entire transaction. It was my understanding that one of the Associations, or possibly all three of them, were furnishing the money for the car. I asked Mr. Priester if he cared to re-purchase the car, and he wrote out a check for it right there on the spot. The check is made payable to Cameron Aikens. Mr. O'Connor instructed me to have it made payable to Mr. Aikens.

I had a substantially similar experience in connection [fol. 266] with the sale and delivery of a car by Allen Gwynn Chevrolet to a Mr. Huff through a discount house. I played the tape recording and I asked Mr. Gwynn if he would care to re-purchase the car. He said he would. I instructed him to make the check payable to Glenn Roberts.

I was also asked by Mr. O'Connor to contact Bob Wondries of Bob Wondries Chevrolet and discuss with him the particular situation involving a car sold to John Armour through Gemco. It was explained to me by Mr. O'Connor that the car had been shopped and paid for by Eddie Hopper Chevrolet. I had no tape recording on this transaction. I told Mr. Wondries that he could get the car back at the Eddie Hopper Chevrolet Company at Garden Grove. He gave me a check made payable to John Armour which was made out in his office while we were talking.

Mr. O'Connor also brought to my attention an invoice of Citizens Chevrolet made out to G. R. Wolfe covering the sale and delivery of a car. There were papers concerning this transaction and also a tape recording. Mr. O'Connor asked me to see Will Newman about this and I asked Mr. [fol. 267] Newman to come down to my office. I showed him the documents and I said, "Will, I would like to play this tape recording for you because I think it will be very interesting to you." I played the tape recording and asked him if he wanted to repurchase the car. He agreed to do so. He sent his check directly to Cameron Aikens.

Q. Mr. Young, before these four or five experiences we have gone over did you ever have occasion in your experience as a City Manager to ask a dealer to buy a car back?

A. No, not that I can recall.

Q. For no reason whatever?

A. No, sir.

Q. And did you ever have occasion before these experiences we have talked about in the early part of 1961 to call a dealer into your office and play a tape recording of a transaction which took place in his dealership?

A. No, sir.

Q. That was the first time you ever had occasion to do that?

A. That is correct.

Q. These experiences in playing the tape recorders and [fol. 268] asking the dealers to buy cars back was a rather unique experience in terms of your being a City Manager for Chevrolet Motor Division?

A. Yes, I think this form of merchandising through discount houses was unique to this area.

Cross-designation by All Defendants

When we have an established dealer and their Selling Agreement is about to expire and is going to be renewed, as it usually is, a letter is sent to the dealer informing him that as of a certain date his Selling Agreement will be renewed and a meeting with the dealer is arranged. At that time the new Agreement is presented to the dealer and for management's signature. We review the provisions of the Agreement with the dealer and any addenda. These are discussed with the dealer. The Dealer Selling Agreement is very seldom sent to the dealer for signature with a letter asking him to sign it and return it. There may have been cases when that has happened due to a time element or an illness element, in the case of a dealer being ill or something like that, but it is usually handled on a personal basis, because this is a personal agreement between the individual and the Chevrolet Motor Division.

[fol. 269] As City Manager in the Los Angeles zone I am quite "far down" in the organization hierarchy. I do not fix policies that have to do with interpretation of the Dealer Agreement, and neither does my boss, Mr. O'Connor. The way we operate, before we do anything new, we get authority from farther up the line.

In situations where a dealer is not conforming to his Agreement we have many many contacts with the dealer, usually by top management at the Zone level, and at times

Regional management at the Regional level, working over a long period of time in endeavoring to correct the problem existing at the dealership, whether it be facilities or whatever it might be. If after working with this dealer over quite a period of time we find that we are at an impasse, then through the Regional Office we inform our Central Office of the problem, and we at that time recommend that certain steps be taken. However, it is at the discretion of our management at Central Office whether they agree with this, and it has to come back down from them.

Q. Up to that point, are you trying—is it the policy of General Motors to follow a procedure of persuasion?

A. Oh, yes, sir. In other words, it is a lot easier for us, [fol. 270] actually, in our work to make a dealer into a good and profitable dealer by working with him than it is to replace him.

Q. Good dealers are hard to come by?

A. They certainly are.

In the case where a dealer does not maintain an adequate staff of competent mechanics I would first counsel with our Chevrolet Division Service Department to get their thinking with reference to the number of service technicians required in this dealership using the size and the service volume. I would also find out the amount of business that might be lost by the lack of trained service technicians. In other words, I would gather all the facts that I possibly could concerning this one phase of the dealer's business and then counsel with the dealer, see him, counsel with him on the advisability of strengthening this one department so that he could not only better serve Chevrolet customers and other automotive buyers' needs, but also the fact that this in itself would increase his possibilities for a return on his investment.

I would not go to the dealer and threaten him with cancellation of the Agreement or anything like that. I would [fol. 271] sit down and talk with him and counsel him. I can't recall the time when I have actually used the Selling Agreement such as mentioning the Selling Agreement. This Selling Agreement is not used as a weapon. It is an agreement between two parties, the Chevrolet Motor Division of the General Motors Corporation and an individual and in some cases two individuals or three, and these problems

that arise are brought to the dealer's attention in the manner of good business judgment from both sides. This is not an uncommon problem. We have these problems from day to day.

During the year 1960 there were many dealers who complained to me about dealers merchandising Chevrolets through discount houses. I recall that Ed Collian, of Collian Chevrolet in South Pasadena complained to me. He made the point that to him this was a wrong form of merchandising, and that it was a threat to his franchise as it was to every other Chevrolet dealer's franchise. It was siphoning off customers that possibly he could sell or another Chevrolet dealer could sell in the area, somebody who had his capital invested in facilities and so forth. He thought it was morally wrong to merchandise cars in this manner. His principal concern was that this form of competition posed a threat to his business. He was against this [fol. 272] type of merchandising and felt that it would prove a threat eventually to the franchise system as we know it.

1960 was the big year when the volume through these unauthorized outlets became of such a critical nature that we received so many complaints from so many dealers. It presented a very acute problem which was different. The handling of it was not clear. Rather than having just a problem which we handle day in and day out, such as our service problems, we were faced with the problem which was entirely foreign to anything we had run up against before, so we wanted an interpretation.

Before we received the Staley letters, I said that there was nothing the Zone people could do about the use by dealers of discount houses as outlets for their products because there was no policy as yet defined from the corporation with reference to this type of merchandising. This was a situation which was becoming acute in the Los Angeles area, and as far as we could discern it was only in the Los Angeles area, and we wanted a policy from the corporation which would guide us in our handling of it.

That is why we asked and did secure the policy from our Central Office. It was a matter which required a policy [fol. 273] determination by the Central Office. It was quite clear that it certainly wasn't in the best interest of the

dealers' equities as a whole, but we had to get a determination and interpretation of policy from our Central Office before we could do anything about it. It was not the prerogative of those at the Zone level to determine if it was a selling agreement violation. This had to be decided by higher authority.

The policy concerning this problem came by way of a letter, which all the dealers received as did the wholesale organization, and it was reviewed by Mr. O'Connor with management personnel of the Zone. This was a policy with relation to the Dealer Selling Agreement, with reference to unauthorized outlets.

This policy was transmitted to this area somewhere around December 16, 1960 by a letter from Mr. Roche, who was Vice President of General Motors Corporation, in charge of Distribution, at that time. It was followed by Mr. Staley's letter to all Chevrolet dealers, nationwide. This was a corporation policy. At this time we thought we had a track to run on.

Q. What do you mean by the track to run on?

A. Well, this was an interpretation of a policy with relation to the Dealer Selling Agreement, with reference to unauthorized outlets.

[fol. 274] Q. Well, now, in running on this track, I believe Mr. Blecher asked you if you told these dealers they were violating the Agreement?

A. Yes, sir, words to that effect.

Q. Did you threaten them with termination of their Agreements or refusal of General Motors to renew their Agreements?

A. No, sir.

Q. At the end, do you have any authority whatsoever to tell a dealer that General Motors is going to terminate his Agreement or General Motors is going to refuse to renew his Agreement?

A. No, sir, I don't.

Q. Where is that handled?

A. That is handled in our Central Office.

As I recall I called the dealers in my area of responsibility shortly after the New Year—the 2nd or 3rd of January. Mr. Staley's letter had been received in the latter part of December. This was a letter of policy of the Gen-

eral Motors Corporation which in effect was an addendum to the dealer selling agreement. It was at least an explanation of that portion of the Dealer Selling Agreement which dealt with unauthorized outlets—and I think that all the dealers in my conversations with them concerning Mr. [fol. 275] Staley's letter at least indicated to me that they understood that portion of the letter. I asked each one if he understood it—if he understood the wording. I said that this was our position—the corporation's policy—on the discount house method of selling. And immediately, of course, after a very short conversation I was able to obtain the dealer reaction. Which was very good.

Pltf. Ex. 166 refers to a sale of a new Chevrolet involving Citizens Chevrolet. I had a conversation about it with Mr. Newman but I don't recall any with Mr. Spoo, a salesman at Citizens Chevrolet. As I best recall, I think this was brought to my attention by Mr. Bill Newman with reference to how to handle this delivery. This became quite involved. The car was originally ordered through a discount house. It was built and shipped to Citizens Chevrolet and it was built in error. As I recall it, we had shipped a standard model when the order called for a deluxe model. There seemed to be considerable delay, and the customer wrote our Central Office complaining about the delay of the unit, and so forth. And when it was finally shipped to Citizens Chevrolet, Mr. Newman got in touch with me concerning the delivery of it.

[fol. 276] As I recall, at that time he was having some difficulties with his past business with discount houses, financial difficulties, and he said he no longer wanted any part of this business. However, the customer should be satisfied, what should we do? It was at my suggestion that we deliver it through a neutral dealer. Ernie Porter was the closest dealer so I called Mr. Porter and asked if he would make delivery of the unit.

I do not recall ever discussing the transaction involved in Pltf. Ex. 167 (an invoice of Citizens Chevrolet to Shirlene Schoemann) with either Mr. Newman or Mr. Spoo. I have never heard of a man named Lex Jones. I have had very little conversation with Mr. Spoo other than to say good morning and I have no recollection of any discussion with Mr. Spoo concerning this business.

I played the tape recording for the Priesters because I wanted both Herb and Ed Priester to know how this thing was handled from the start of the transaction to the actual delivery at Montrose, and this one was a particularly interesting one, because this tape recording was the one where the discount house man had said that we were shipping direct, which of course we have never done; and there were quite a few of those statements made during this drive [fol. 277] from the discount house into Montrose which were quite interesting I thought to both the Priesters, and particularly to us, in how this transaction was handled.

When I was given the documents in each of these cases I was told to whom the money was to be paid in case the dealer wanted to repurchase the car. I believe Cameron Aikens, the payee, is counsel for many dealers, and for an association. I think it is Dealers Service.

The purpose of my playing the tape recording for Mr. Gwynn was to show the dealer exactly what was going on in his business, and particularly—I think this was a situation where they were even using his old building, which is only about three blocks away. It was called "The Brockway Plan," I think.

When I contacted Mr. Wondries, he was surprised and very irate that this had happened at his dealership, as I was, because Mr. Wondries was a new dealer. He became a Chevrolet dealer in the early part of December, as I recall, of 1960, and my contact with him with reference to this discount house purchase was, I think, some time in February, the latter part of January, the first part of February, and he was quite surprised that it had occurred at his dealership and, as I say, quite upset about it. I don't think he knew about it prior to my call. He had told me he had no intention of having his dealership use discount houses as outlets.

[fol. 279]

DARRELL V. HAWTHORNE

Designation by Plaintiff

My name is Darrell V. Hawthorne. I have been employed by General Motors since June 1934. From July 1960 to the present time (March 1963) I have been City Manager in the

Chevrolet Los Angeles Zone. In my position as a City Manager it was my responsibility to contact Chevrolet dealers in the West Metropolitan Area.

Prior to my coming to the Los Angeles Zone, I was not acquainted with Chevrolet dealers selling Chevrolet automobiles through discount houses and referral services. After I came here I became acquainted with it on a gradual basis. It was a process of education for me—primarily through complaints from some dealers who would from time to time call me to report that they thought a certain discount house was selling new Chevrolets. To the best of my recollection, John Hessell of El Segundo was one dealer that complained. I don't recall exactly what he complained about other than as I recall there was a discount house near his dealership in El Segundo through which new Chevrolets were being purchased.

Q. Well, did he complain to you that he was losing sales because of the presence of this discount house or referral [fol. 280] service around his dealership or in the vicinity of his dealership?

A. Well, as I recall, he felt that it was unfair competition from whoever the dealer might have been in some other area of the city.

Q. Well, did he explain what he meant by unfair competition in terms of how it was affecting the size of his gross profits or the number of sales that he made?

A. I don't recall exactly, because I don't recall the specific conversation, but to the best of my recollection it was on the basis that—it wasn't the grosses as I recall—it was the fact that people were buying cars that he wasn't even getting a chance at the deal, so to speak; in other words, they were being drawn to the discount house and away from his dealership as a place to even be a prospect for a new car.

Q. Well, did you understand at that time that all of the Chevrolets that were purchased through or from the discount houses and referral services were cars that had been obtained from other Chevrolet dealers?

A. Well, I naturally assumed that, because that is the only place we sell cars to.

[fol. 281] Q. So that each sale that he lost must have represented a sale that his competing Chevrolet dealer had obtained, isn't that correct?

A. Yes.

Q. And this is one of the things that he was complaining about?

A. He was complaining about the nature of the competition, yes.

Q. Pardon?

A. He was complaining, to the best of my recollection, of the nature of the competition.

Q. You mean he wasn't just dissatisfied because he lost the sale?

A. Because he lost the sale due to the nature of the competition.

The only dealers that were doing business through discount houses and referral services that I discussed it with from the time I took over in July 1960 until the end of 1960 were Mr. Biggs and Mr. Bruder. They were the only two dealers that to my knowledge were doing such business. I was interested in learning how this operation worked, so Mr. Biggs explained it to me. He said that he would be very willing to give up this referral business if it would accomplish anything and in his opinion the only way it would accomplish anything was that if he could be sure that some [fol. 282] other dealer would not just pick it up. To the best of my recollection my contact with Mr. Bruder was quite brief, because I had already learned from Mr. Biggs how the referral business worked; and Mr. Bruder's reaction, as I recall, was virtually identical to Mr. Biggs', that he, too, felt that it had gotten to the point where he would be very willing to give it up if some other dealer didn't just turn around and pick it up and therefore nothing was accomplished to the solving of the overall problem. In my conversations with Mr. Biggs and Mr. Bruder in the fall of 1960 I don't believe I discussed their respective business relationships with the independent business, Dealers Diversified Services, Inc. (Fedco) in terms of the dealer selling agreement.

I discussed the subject of discount houses and referral services with Mr. O'Connor, the Zone Manager, to whom I was immediately responsible.

These various conversations were frequent during the fall of 1960.

Q. Do you recall conversations in which he said that there was essentially nothing that Chevrolet Division could

do except try to persuade them to discontinue this type of business relationship?

[fol. 283] A. That's correct, as I said before, our approach was one of persuasion, to sell a viewpoint.

In early January 1961 I attended a staff meeting of Mr. O'Connor's immediately subordinates at which we discussed the Staley letter.

Q. Did you receive instructions from Mr. O'Connor with respect to contacting the dealers in your geographical area of responsibility on the subject of discount house and referral service selling?

A. Yes, sir, on the subject of Mr. Staley's letter.

Q. Were you directed to take up the subject matter of the Staley letter with the dealers in your Zone, in your area of responsibility?

A. Yes, we reviewed particularly the paragraph which stated that the wholesale people would contact all of the dealers in the area where this type of business was known to exist. So, as I recall, we discussed how best to do that and decided that we would for the most part telephone our dealers.

I contacted the approximately 22 dealers in my zone by telephone.

Q. In those conversations with the Chevrolet dealers in your zone what did you say to them? Did you have a sort of format as to the points you wanted to cover in your [fol. 284] discussion with them.

A. Yes, I believe so. I had nothing in writing on a format, but in each case I talked to the dealer himself; in each case, No. 1, I asked if he had received Mr. Staley's letter; No. 2, if he had read it; No. 3, if he understood it or if it made our position clear to him; and then how he felt about it.

Of course, as I said, to my knowledge I only had two dealers who had been selling through discount or referral services, so that the other 20 dealers, without exception, stated that they were not engaged in this type of business and had no intention to be engaged in it.

When I was contacting each of the Chevrolet dealers in my zone of responsibility right after the Staley letter, I knew and understood that each of the other City Managers was doing exactly the same thing.

Q. Didn't you know and understand that a hundred per

cent cooperation in discontinuing this discount house business was essential to the success of the program to end this type of selling of Chevrolet automobiles?

A. Essentially, yes.

One of my 22 dealers that I called was Vern Trider of [fol. 285] West Adams Chevrolet who told me that he was not engaged in any of the business of the type covered by Mr. Staley's letter. Then I believe it was later in the same month I was advised by Mr. O'Connor that Mr. Trider had been shopped. As I understood it at that time, someone had posed as a customer and had made a deposit on a Chevrolet which he had gotten through an original contact with Fleet Sales. Mr. O'Connor turned over to me a receipt and also an invoice or something from Fleet Sales in connection with that transaction and asked me to explain to Mr. Trider that this was a shopped deal, that there would be no consummation of a car purchase, and as I recall there was a \$25 deposit made, and that we could ask Vern Trider to, in view of the circumstances, if he would refund the \$25. As far as I know, the shopping had not been performed by Chevrolet Motor Division. After I explained the transaction to Mr. Trider he agreed to my request to refund the \$25. As I recall I again directed Mr. Trider's attention to the Staley letter, and he said in effect he was willing to discontinue his referral business through Fleet Sales, providing he could satisfy himself that other dealers were not doing this type of business. I don't recall indicating to Mr. Trider that everybody else was going to abide by Mr. Staley's letter. He was not interested in what [fol. 286] I had done with other dealers or talked to other dealers. The way he presented it to me was, "I want to satisfy myself."

He told me that he would give an answer within a few days and he subsequently called me and said "I have satisfied myself that other dealers have discontinued this business and as of right now I am no longer doing business with Fleet Sales." At that time as far as I knew I had no dealers that were engaged in business relationships with discount houses and referral services.

Sometime in late January or early February I received a call from Mr. Ted Schonlaw. His first words were, as I recall—I do recall almost the exact words in this instance because it was so new to me—he said, "Dick, I think I have

been shopped." So the gist of the conversation from then on, I asked him what he meant and why, and he explained that a car had been delivered and had been paid for by a cashier's check in the full amount, which he thought was rather unusual, and he told me that he had called the bank, I believe it was the branch in Long Beach, to determine who had bought the cashier's check and found that it was Losor Association. So on that basis he assumed that he had been shopped; however, he immediately wanted me to know two things, and that was that his organization, [fol. 287] he and his organization, the management were very much adverse to this type of operation, that it was done without his knowledge or the knowledge of his managers, and he immediately asked, "Should I buy the car back or what should I do?" He offered to buy the car back. I told him, "Do nothing, but I'll see what I can find out and let you know." He asked me, as I recall he asked me, "Do you want me to buy the car back?" or, "Should I buy the car back?" or, "How can I buy the car back," something to that effect, and I told him frankly I didn't know, I didn't know anything about it. I said, "It appears that you have sold a car." Right after that conversation I advised Mr. O'Connor of this call and to see if he knew anything about it, and as I recall, at that time he didn't and he said there is nothing to do unless we hear further.

In a matter of a few days, maybe within the next two or three days, I believe Mr. O'Connor, as I recall, showed me the papers to the car and also gave me the key to the car and told me that Ted was right on his previous call, Ted Schonlaw, and that he had been shopped. I at that time again advised Mr. O'Connor that Ted Schonlaw had called me and had offered to repurchase the car if he had, in fact, been shopped. So Mr. O'Connor said, "Well, go [fol. 288] ahead and contact Ted," and told me where the car was, and if he still wanted to repurchase it, that the check could be made out, and so on.

Mr. O'Connor gave me some papers in connection with the purchase of a shopped automobile from Kendall Chevrolet Company. The purchase had been made through the Car Wholesalers out in the San Fernando Valley. O'Connor advised me to contact Mr. Deeb, the dealer, inasmuch as he had expressed to me that he was very definitely against and discount house business. I went to Kendall Chev-

rolet and showed Mr. Deeb the signed copy of the purchase agreement. When I told him the car could be repurchased if he was so inclined, he offered to do so immediately. Mr. Deeb did not complain when I told him to make out a check to repurchase the car for \$205 more than he sold the car for.

Cross-designation by All Defendants

The first car purchased by Losor in their shopping program was the one purchased from Mr. Schonlaw. The check that I obtained from Mr. Schonlaw on his repurchase of the car was dated February 27, 1961. Pltf. Ex. 183 indicates that Losor's purchase was made on February 21, 1961.

[fol. 289] I can't say whether Ted Schonlaw called me on February 21, 1961, concerning what he should do about the car, other than to say that he called me immediately after finding out that the check was issued by Losor. At that time I hadn't heard anything about any project of Losor to shop dealers. When he asked me what to do about the car, I told him that Losor had bought a car or words to that effect. I was not in any position to tell him to take any action.

Mr. O'Connor may have told me that he had received a set of papers from Ted Schonlaw on this transaction before his meeting in his office with Henson, Johnson and some others, but I am not sure. He may have. At any rate, sometime at or just before February 27 Mr. O'Connor told me to call Schonlaw and take him up on his offer to buy back the car.

When I talked with dealers back in 1960 before receiving the announcement of the Chevrolet policy set forth in Mr. Staley's letter, and told them that there was nothing Chevrolet could do about this discount house operation, I meant there was nothing that we at the Zone level could do. I wasn't presuming to say what General Motors Corporation or the Chevrolet Division of General Motors Corporation could do in respect to dealers selling through [fol. 290] discount houses and referral services. We just hadn't heard what the Central Office wanted to do or what it would be their policy to do—until we saw the Staley letter.

When I talked with Mr. Biggs, before we received the Staley letter, I was interested in learning how this operation worked, so Mr. Biggs explained it to me, explained how the referrals worked and the entire transactions, how they were handled. Then, he volunteered to show me figures on whatever month it was—that month's business—the average grosses, etc. Then I discussed with him, just like we would in any other facet of his business, the advisability in the long run of continuing this type of business, and Mr. Biggs, to the best of my recollection, informed me that it had grown to such proportion that he realized in the long run it would be detrimental to the entire franchise system of automobile business; however, he felt that, as I recall he said that if he alone gave it up and some other dealer picked up where he left off, nothing would be accomplished. He said that he would be very willing to give up this referral business if it would accomplish anything and in his opinion the only way it would accomplish anything was that if he in his own mind could be sure that some [fol. 291] other dealer would not just pick it up.

Pltf. Ex. 142 is a letter dated March 3, 1961, by Bob Erskine of Bob Erskine Chevrolet in Pomona, California, written to Mr. O'Connor with a copy to Fritz Bruder advising that a car had been delivered on January 19, 1961 by Bruder Chevrolet in Hollywood through Fedco in San Bernardino to a resident of La Verne, California.

Mr. O'Connor either gave or sent me this letter. Before I had a chance to call Mr. Bruder he called me and told me that he had a conference with Mr. Cash while I was on vacation and had advised Mr. Cash that he was going to deliver the cars that he had on order at that time and this was one that was on order. My handwritten note at the bottom of Pltf. Ex. 142 was to advise Mr. O'Connor of this. I was under the impression that Mr. Bruder's conference was with both Mr. Cash and Mr. O'Connor.

With the volume of cars that the dealer handles in the metropolitan area and the number of salesmen that they have, it is very possible that an individual salesman could have a contact of some kind or another without a dealer's knowledge, and as far as I was concerned this was a matter of information to Mr. Bruder.

[fol. 292] When I called on Mr. Deeb at Kendall Chevrolet concerning the sale through Car Wholesalers, he was very

surprised and very irritated at whomever it was in his organization that had handled that transaction. The reason was, to use an expression, because Mr. Deeb was dead set against this kind of business. After I showed him the papers and explained what had happened, he called his general manager, Mr. Constantine, to the office to determine if he knew about this deal, and determine if that type of business was being done in the dealership—if he knew if it was. And as I recall, Mr. Constantine also expressed surprise. And then, in turn, Mr. Deeb called a third man, and I don't recall his name, who was an assistant sales manager, to determine if he knew about this deal.

[fol. 293]

FRED M. THOMPSON

Designation by Plaintiff

My name is Fred M. Thompson. I reside at 534 South Hauser Blvd., Los Angeles. I am a City Manager, Chevrolet Motor Division in Los Angeles. I have been affiliated with the Los Angeles Zone since July 1958. I am completing my thirty-first year with Chevrolet Motor Division.

As a City Manager I am responsible for a certain number of dealers who are more or less under my supervision. Between June 1960 and July 1961 I was responsible for about 22 dealers. The Los Angeles Zone is Chevrolet's largest in terms of total units delivered.

In the middle of 1960 we started getting an avalanche of complaints from dealers about discount house and referral service merchandising. I had dealers talk to me about discount houses. Mr. O'Connor indicate that there was nothing that the Zone Office was able to do about the complaints in regard to the discount house method of merchandising. I believe he mentioned that this was something he was going to discuss with Mr. Cash or with other of his superiors.

[fol. 294] On November 17, 1960, Mr. Mays talked with me by telephone in Mr. O'Connor's absence on the subject of discount house operations in our area (Pltf. Ex. 17, memorandum of this conversation). He requested Mr. O'Connor to immediately send him a detailed report of

discount operations in this area and specifically requested information as to the dealers who were furnishing merchandise to the discount houses, as well as what action we in the Zone were taking to curb such sales. He stated that this matter had apparently reached such proportions that Central Office wished to review the entire matter possibly with the legal department to see if they could be of some assistance to us in this connection.

Upon my return from a vacation either the 2nd or 3rd of January 1961 we had a conference in Mr. O'Connor's office, at which time Mr. Staley's letter to all dealers was reviewed, and Mr. O'Connor instructed each of us, in accordance with Mr. Staley's letter, to call all of the dealers in our area. At best as I recall, I asked each dealer as I talked to him, or the general manager, if they had received Mr. Staley's letter, and if there was anything that they didn't understand we would try and be of assistance to them in getting an answer for any question they might [fol. 295] have. After calling these dealers I was instructed to report back to Mr. O'Connor. He wanted us all to let him know when we completed contacting all of the dealers.

Around the end of March 1961 I talked with Mr. Watkins, General Manager of Enoch Chevrolet, with respect to a Chevrolet sold by Enoch Chevrolet through a discount house. Mr. Cashman, the owner, didn't happen to be in at the time I called, and that's why I talked to Mr. Watkins. This matter had been called to my attention when I was at Harbor Chevrolet, which at that time was in my area, and either Mr. Henson or Mr. Johnson told me that they had one or two tape records and some papers on I believe two or more shopping matters, and asked me if I would mind taking them to the Zone Office. I understood that the Losor dealers were conducting this shopping activity. I believe I understood that the documents or other evidence obtained through this activity were to be turned over to the Chevrolet Zone Office, as I believe there had been transactions previous to these.

When I talked to Mr. Watkins he indicated that Mr. Cashman would be down to see me. He was sure that such a conference could be set up. When I talked to Mr. [fol. 296] Watkins and asked him to set up the conference with Mr. Cashman he asked me if I would tell him what it was about, and I did tell him. He asked me if I would

give him the serial number of the car so that they could run down the transaction and be familiar with it at the time they came into the office.

When Mr. Cashman and Mr. Watkins came into the office there were the usual greetings and, as I recall, before we played the tape recording Mr. O'Connor walked by the office and did come in and shake hands with Cashman and Watkins. Mr. O'Connor did not remain in the room. Then I played the tape recording of the shopped transaction which I had obtained from Mr. Henson.

Q. When the tape recording was concluded, did Mr. Cashman appear at all embarrassed to you?

A. I would say so, yes, sir.

Q. So that, after playing this tape recording to which you have testified Mr. Cashman appeared embarrassed, no doubt you asked him a question, did you not?

A. I believe that I did. I believe I asked him if he wished to buy the car back.

Q. And what did he say to you, Mr. Thompson?

A. As I recall, he said he certainly did.

[fol. 297] Q. And Mr. Thompson, did you expect him to say, "No"?

A. No, I don't think I did, no, sir.

It would appear from the documents related to the transaction that Mr. Cashman was paying more to repurchase this automobile than the amount of money he received when he sold it. I do not recall that Mr. Cashman voiced any objection to me with respect to the fact that he was buying an automobile back for more than he had sold it for.

Cross-designation by All Defendants

My purpose in playing the tape recording was not to put Mr. Cashman in an awkward position. Both Mr. Cashman and Mr. Watkins told me that the car sold by Enoch Chevrolet through the discount house was sold without their knowing about it.

My purpose in using this technique wasn't to put Mr. Cashman in an awkward position or to put his back up against the wall—so to speak. To the best of my knowledge there were no dealers in the area that I was responsible for that were selling through discount houses. When this matter was brought to my attention, I was quite sure in my own mind that if a car had been sold by Enoch Chevrolet

in that manner, that it was sold without Mr. Cashman's [fol. 298] knowledge, and I asked him to come down to hear the tape recording and to see the papers in connection with it.

[fol. 299]

THOMAS O. MAHON

Designation by Plaintiff

My name is Thomas O. Mahon. I am an automobile dealer in Ojai, California. The name of my dealership is Tom Mahon Chevrolet, Inc.

In 1961 I began doing business with a discount house called AAAA Auto Leasing. I first began doing this business about two months after I received the letter written by Mr. Staley to Chevrolet dealers in the latter part of December 1960 (Pltf. Ex. 121).

The way we sold cars to customers that came to AAAA was: They would notify us of the person who was to obtain the car, either by phone or by mail, and we would order the car, obtain the car, then prepare the car, make it ready, and register it to the individual. AAAA Auto Leasing paid us for the automobile. Delivery of the automobile was made to the customer who would either come up to our dealership to obtain it or otherwise a driver would come up to the dealership and obtain it from us.

In March 1961 I received a call from Mr. Jere Faust, Assistant Zone Manager who has charge of our area. The [fol. 300] substance of the conversation was that we had sold automobiles to AAAA Auto Leasing, that they were a discount house, and then he specified a sum of money which I was to bring with me when I came down and saw him. When he spoke I think he was speaking on the assumption that we knew we should not be selling to discount houses. He told me to come to Los Angeles on a specific day and at a specific time and to bring a cashier's check for a specific amount of money. I kept the appointment and brought a cashier's check. I knew when I came down to Los Angeles that I was going to repurchase an automobile but the peculiar part about it was he didn't ever ask for the check. I gave him the check before I left.

When I got to Mr. Faust's office, the substance of the

conversation was that AAAA Auto Leasing was a discount house. I believe it was mentioned by Mr. Faust that there had been a meeting in Santa Barbara, which I did not attend, where a list of the organizations that were discounting cars was read off, and AAAA Auto Leasing was one of the organizations on that list. We undoubtedly talked about many other things.

I can't say whether or not Mr. Faust said that we were [fol. 301] not to do business with the discount houses on the list. I knew that he did not want me to do business with them, and I believed he was speaking for Chevrolet. My impression when I left was that this was their desire. From Mr. Faust's point of view I was not to do business with any of the discount houses.

Q. Did he specifically tell you that he did not want you to do business with AAAA Auto Leasing?

A. I would assume so. I mean that was the organization with which we were dealing at the time.

Q. Did you later follow his instructions?

A. We stopped our dealing with them, yes, sir.

I asked Mr. Faust about delivery of the cars that were on order from AAAA Auto Leasing. He told me he did not wish us to deliver them. We followed his instructions with respect to those pending orders. We contacted AAAA first on the matter and they made no objection to it, so I felt released from the obligation to them, and we did not ship them.

[fol. 302] Our firm sold a car to a Russell De Orto who I learned had purchased the car representing I believe an automobile association. I paid \$2,904 to Mr. Faust when I repurchased the car. When I sold it through AAAA Auto Leasing I received \$2,660.93. On repurchasing the car I took a loss of \$243.02. After I repurchased the car we resold it as a used car.

[fol. 303]

[File endorsement omitted]

[fol. 304] APPENDIX B TO REPORTER'S TRANSCRIPT OF
PROCEEDINGS—Filed June 1, 1964

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

STIPULATION OF FACTS NUMBER SEVEN

Plaintiff and each of the defendants, through their respective counsel, hereby stipulate as follows:

1. That the designations and affidavits hereinafter described in this stipulation are contained in two volumes [fol. 305] marked "Defendants' Designations and Affidavits, Appendix B and Appendix C to Reporter's Transcript of Proceedings"; that the persons whose testimony is contained in said volumes in the form of designations, cross-designations, affidavits and cross- and re-direct examinations of affiants would, if called as witnesses, testify to the facts set forth therein.

2. That the designations, cross-designations, affidavits and cross- and re-direct examinations of affiants covered by this stipulation may be offered into evidence and when received shall be deemed to constitute a part of the Reporter's Transcript of Proceedings herein (without the necessity of the Reporter copying the same into the Reporter's Transcript) with the same force and effect as though the witness whose designation, cross-designation, affidavit or cross- or re-direct examination of affiant is received had testified in person; that the testimony so received shall be governed by the same rules and treated in the same manner as though the witness had testified in person and that said designations, cross-designations, affidavits and cross- and re-direct examinations of affiants shall be referred to hereinafter as "Appendix A and B to Reporter's Transcript of Proceedings."

3. That said designations and cross-designations are [fol. 306] are agreed statements in narrative form taken from the Reporter's Transcript of the testimony of said witnesses in *United States v. General Motors Corporation*,

et al., Criminal No. 30132, in the above entitled court, or are questions and answers copied from the Reporter's Transcript in said action; that said designations were selected by one or more of the defendants as indicated and that said cross-designations were selected by plaintiff; that the affidavits were prepared for one or more of the defendants as indicated.

4. It is expressly understood and agreed that:

(a) This stipulation is for the purpose of the above-entitled case only;

(b) Plaintiff and each defendant reserves the right to object to the receipt into evidence of any fact herein stipulated on any ground or grounds.

Dated: May 20, 1964.

Maxwell M. Blecher, Robert C. Weinbaum. By Maxwell M. Blecher, Attorney, Department of Justice. [fol. 307] O'Melveny & Myers, Lawler, Felix & Hall, Aloysius F. Power, Robert A. Nitschke, Nicholas J. Rosiello, Homer I. Mitchell. By Homer I. Mitchell. Hansen & Dolle, Glenn S. Roberts, Victor R. Hansen. By Victor R. Hansen, Attorneys for Defendants.

It is so ordered this 1st day of June, 1964.

Charles H. Carr, United States District Judge.

[fol. 308]

CHARLES MILLER

Designation by All Defendants

My name is Charles Miller. I reside at 1172 Glen Arbor Avenue, Los Angeles 41. I am a car salesman employed by Ernie Porter Chevrolet, 245 West Colorado, Pasadena. I have been continuously so employed for the past seven years. During the years 1960 and 1961 I held the title of Fleet Manager. The Fleet Manager primarily handles sales to fleet accounts and accounts of the type which could be

called pseudo-fleet accounts; in other words, group selling or group buying which would fall under the category of fleet sales. During that period of time my immediate superior was our General Sales Manager, Mr. William Vogan. I reported directly to him and he in turn reported to Mr. Porter, the dealer.

During 1960 I did business with Castle Sales, Inc., the auto concessionaire located at the More, Incorporated, discount houses. The man handling the automobile business in these particular discount houses was Mr. Joe Enright, and I had fully equipped him with documents and purchase orders to sell Chevrolet automobiles. He filled in the purchase order and mailed it to me with the customer's deposit. It was then up to me to either order the car from the factory [fol. 309] and deliver it after the car arrived at the dealership, or to select a car in inventory that would come closest to the model and equipment chosen. The vehicle was delivered to the customer at our agency in Pasadena.

Sometimes Castle Sales referred customers directly to me without having quoted any price. These referrals would come from certain stores of More, Incorporated, where Castle Sales was using one of the More, Incorporated, employees or a receptionist to send customers to me on a referral basis. The headquarters of Castle Sales, where Mr. Enright was employed, was on Sepulveda Boulevard in Culver City, and later on, in the late summer or fall of 1960, was moved to a new location on Van Owen Street in Reseda where More, Incorporated had opened a new discount house. Mrs. Enright then handled the business at Culver City. I got referrals from the Garvey store on Garvey Boulevard, and in a very few instances from the Long Beach store.

Def. GM Ex. AJ is a pad of forms containing a cover on which is imprinted "Chevrolet," with a Chevrolet symbol, "Retail Order Forms (15 Triplicate Sets)." On the bottom of the cover is printed "Form DEA-193 (11-60)." I have seen order pads identical to these before. These pads contain the Chevrolet Retail Order Form that a salesman used in selling an automobile during the year 1960. He would [fol. 310] mark the name of the dealership in there, the name of the purchaser, his address; and it says here "Please enter my order for the following: New car, used

car, new truck," etc., "Year, Make, Series, Body Type, Color, and Trim," These forms were used by the retail salesmen at Ernie Porter Chevrolet in selling new cars to the public. The salesmen would fill in the blank under "Dealer's Name" by inserting "Ernie Porter Chevrolet." The dealer obtained these forms from Chevrolet where they were furnished by some organization at the wholesale level. During 1960 I furnished tablets of this type of retail order form to Mr. Enright out at the More, Incorporated store at Culver City. He used these in taking orders from the customers. He would quote the price, he would insert the various accessories or options, the model, the selling price, the total price, the sales tax, etc. He would ask the customer to sign the copy, he would show our dealership's name up where it says "Dealer's Name." He would there insert "Ernie Porter Chevrolet" the same as a retail salesman would. Then he would mail me the signed original order. He would give a copy to the customer and would retain the onionskin copy for himself.

Our agreement with Mr. Enright was that he had authority to make a sale for us and bind Ernie Porter Chevrolet. [fol. 311] Any obvious mistake which he might have made in taking the order I had to correct, but the order itself without any mistake I considered binding, and I filled all of his orders to the best of my ability. Mr. Enright would sign his name in the blank on Def. GM Ex. AJ at the bottom of the form below the words "Accepted By." Immediately below this signature blank the form contains the words "Dealer or His Authorized Representative." Mr. Enright and I agreed on the price that he would use in filling out these orders, because otherwise, naturally, I couldn't check on any mistake which may have been made in the order. To my recollection, I have never refused to honor an order that he sent me. Mr. Enright was not authorized to sign checks for Ernie Porter Chevrolet but in any case where he had taken a deposit and the deposit was still in his hands, he was authorized to make a refund. In cases where he had transmitted the money to our agency, the refund had to be made by us.

During 1960, I visited the Auto Department operated by Castle Sales at More, Incorporated discount house store in Culver City at least three times, and possibly four.

My purpose in going to the store was to talk to Joe Enright. I found him in a display area to the left of the main entrance to the store. In the center of that display [fol. 312] area there was a new automobile, and surrounding it were partitions, shelves and tables covered with automobile brochures and literature pertaining to various makes of automobiles. Back of this area in a booth there was a desk and Mr. Enright sat at this desk. There were pictures and signs pertaining to all makes of cars on the walls. Among the brochures displayed there were some containing pictures of Chevrolets. There was quite a large number of what we refer to as throw-away brochures or literature. The automobile on display varied from visit to visit. I remember seeing a Plymouth at one time and at a later visit a foreign car. I never saw a Chevrolet displayed.

Def. GM Ex's. AB, AC, AD, AE, AK, AL, AM, AN and AO are brochures which were furnished to Ernie Porter Chevrolet by the Chevrolet Motor Division for use in selling Chevrolets in 1960 and 1961. I furnished a large number of these brochures to Castle Sales and Joe Enright and he made them available to the public in More, Incorporated stores in much the same fashion as they were available in a dealership.

Def. GM Ex. AF is a plastic-covered album with a picture of a 1960 Chevrolet and the words "1960 Chevrolet Fingertip Facts" on its cover. Def. GM Ex. AG is a larger-size, plastic-covered album having the same picture on its [fol. 313] cover as well as the words "1960 Chevrolet." These are books which were issued by the Chevrolet dealer to his sales force, to each salesman if possible. The larger of the books is called the Album. It contains the picture and technical information of each model car. It also contains color charts of the available colors that these passenger cars came in, both in two-tone combinations and in solid colors. The Album also contains samples of the different-colored upholstery available in each model. It was a very important selling tool to the salesman in that it helped the public select the proper color and the interior fabric of the car intended for purchase. It was particularly helpful where a car of that type and color was not available in the showroom. The purpose of this Album was to enable the salesman to show the customer just what various models

were available in Chevrolets and to help such customer select the particular color and particular fabric which he might prefer over others. This gave the salesman a way of showing the customer what was available without having on display all the various automobile combinations that Chevrolet produced.

The purpose of the book called "Chevrolet Fingertip Facts" (Def. GM Ex. AF) was to give the salesman all of the involved, difficult to attain and memorize technical information that a customer might ask him about—various ratios, various transmission features or availability of certain options on certain models and combinations with different engines, etc. Any salesman would have referred back to this book when asked a question to which he did not know the answer.

I made copies of both the Album and the "Chevrolet Fingerprint Facts" available to Mr. Enright at the Castle Sales concession in the More stores in 1960. Mr. Enright insisted on having these two books available on his desk because it would have been impossible for him to discuss color or upholstery without their aid.

Def. GM Ex. AH is page 31 of the March 10, 1960 issue of the Buyer's Digest. I had a complete copy of this particular issue of the Buyer's Digest. The picture on the bottom half of this page is of a 1960 model Chevrolet. Above the pictures is a script which reads "60 Chevrolet—Everybody's Kind of Elegance." Then we have the picture of a 1960 Chevrolet Impala and underneath we have a description of the car saying: "Nearest to Perfection a Low-Priced Car Ever Came! In '60 Chevrolet is elegantly new . . . with handsomely tapered lines" and so forth. Underneath it, it says: See MORE for the complete new 1960 lines of most other makes and models. Representative at Sepulveda store. Other "stores: Ask at referral desk," [fol. 315] and then the name of the company, "More, Inc.," with their four different locations and their addresses and telephone numbers.

Def. GM Ex. AI is an invoice dated March 21, 1960 from More, Incorporated to Ernie Porter Chevrolet, attention Charles Miller. I received it in the mail. The typed-in portion under "Description," which reads, "Your portion of one half page advertising in Buyer's Digest March 1960,

amounts \$150," refers to Ernie Porter Chevrolet's portion of the ad that I have just described in the Buyer's Digest. Upon the request of Mr. Joe Enright we agreed to put an ad in this particular issue, and I told him that we were willing to pay for part of the expense. To the best of my recollection, this is 50% of the expense. This invoice represents a bill to Ernie Porter Chevrolet by More, Incorporated for payment for this BUYER'S DIGEST ad. The bill was paid by Ernie Porter Chevrolet.

During 1960 I was also doing business with Fleet Sales Company located on Crenshaw Boulevard. I dealt with Virgil Dunn and Jim Fahy. The method of operation by which I sold cars to customers referred by the Fleet Sales Company involved my receiving in the mail a piece of paper called a wholesale purchase order, which contained [fol. 316] prices, equipment and designation of the model desired by a customer whose name appeared on the purchase order. The customer would receive a copy of the same document on which the prices were not legible and my obligation, then, and my instructions were to contact this customer by telephone and make an appointment and, when he came to my office, to show him a copy of the referral slip and compare it with his copy so that we would see the actual price quoted by Fleet Sales. He actually came to the dealership before he got the price. When the customer came to me and discussed the car, I gave him a single price and it was a take-it-or-leave-it proposition. I was instructed by the two gentlemen at Fleet Sales to be very brief, very short, almost to the point of rudeness to the customer and impress upon him in that way that he had to make the purchase right now, and that he had no chance to go back. In other words, it was a type of gimmick selling. I was instructed to be exceedingly brief and overbearing in my attitude. They told me that it was important that the customer receive one price and that there be no dickering about the price. To the best of my knowledge, during the year 1960 I sold 53 cars to people referred by the Fleet Sales Company.

I furnished literature, brochures, fingertip guide and the album to Fleet Sales also. I made it a habit at the begin-[fol. 317] ning of the model run to make a visit to these accounts and bring literature out and let them pick out what

they requested or thought they needed. I did not furnish this literature in bulk to the Fleet Sales Company for distribution to the public because they didn't request it like Mr. Enright did.

Cross-designation by Plaintiff

Mr. Vogan instructed me to stop doing business with Fleet Sales Company and Castle Sales in late December 1960 or early January 1961. At the time Mr. Vogan talked to me, he showed me a letter written by Mr. Staley and told me that we would have to discontinue doing business with those accounts. He said it was Mr. Porter's decision to discontinue doing business with them. He did not say that Mr. Porter's decision was based on that letter.

I subsequently discussed the matter with Mr. Porter who told me he had talked to Mr. Cash at the Zone Office. Mr. Cash had asked Mr. Porter what he thought of selling through discount houses and before the conversation could carry any further, Mr. Porter told him that he disliked doing business with them, that he had always thought so, and that he would right there and then make a decision not to tolerate any such dealings by employees of his agency.

[fol. 318] I spoke with a representative of Fleet Sales, and Mr. Enright of Castle Sales and told each of them that our business connection had come to an end, and in early January 1961, I had ceased taking new orders from them.

To the best of my knowledge, I sold 53 cars to people referred by Fleet Sales Company during 1960, and I sold between 95 and 100 automobiles to customers referred by Castle Sales during that period.

I suggested to Mr. Vogan that we have somebody call Fleet Sales to see whether he was still able to buy a Chevrolet, and I suggested we use my cousin, Mr. Teacher, who was not employed at our dealership. I suggested that he call Fleet Sales on the telephone and go through the process of placing an order for a Chevrolet. He actually did go through the steps of obtaining a referral from Fleet Sales Company. Fleet Sales referred him to West Adams Chevrolet where he placed a deposit on a car. To the best of my recollection, Mr. Teacher told me he used his own money, and I later learned this money was refunded by Ernie Porter Chevrolet. The documents obtained on this referral

were brought back to Mr. Vogan and me, and Mr. Vogan then took the documents and I don't know what he did with them.

[fols. 319-320] Inez Oelwein, sister of my secretary, shopped for a Chevrolet at Castle Sales. I don't remember being told that the documents obtained when Miss Oelwein and Mr. Teacher shopped Fleet Sales and Castle Sales were in fact turned over to representatives of General Motors Corporation.

The name Ernie Porter Chevrolet does not appear on any of the brochures, "Fingertip Facts," "Albums," order forms, or other literature supplied by Ernie Porter Chevrolet to Castle Sales or Fleet Sales.

[fol. 321] AFFIDAVIT OF WALTER H. FURNESS

Walter H. Furness, being first duly sworn, deposes and says:

1. Between the dates of August 20, 1960 and January 10, 1961 I was employed as an automobile salesman in the Automobile Department of the Consumers Mart of America discount store, 1440 S. Los Angeles Street, Anaheim, California (hereinafter referred to as "CMA"). My employer was Union Car Sales, an independent organization which operates the automobile concession at CMA pursuant to an arrangement with said store.

2. During the term of this employment the physical premises of the Automobile Department at CMA were located in the main store building and consisted of an open floor space of the approximate dimensions of 30 feet by 60 feet. Lined along one perimeter of this open area were seven salesmen's desks. On top of each desk were several stacks of new car sales promotion literature, including brochures promoting new Chevrolets (Def. GM Ex. AB). All this literature was freely available to customers browsing through the Automobile Department. In addition, each salesman had a copy of the Chevrolet Album, Color and Fabric Guides and Fingertip Facts (Def. GM Exs. AC, AD [fol. 322] and AE). This material was kept in the salesmen's desks and was not given to customers, but it was

brought out for use as a selling tool during negotiations with prospective customers. All of the Chevrolet brochures, as well as the album material, were furnished by Citizens Chevrolet to Union Car Sales. The remaining area of the Automobile Department contained a display of three automobiles. While the makes and models of the cars displayed varied from time to time, I recall that immediately after the inauguration of the 1961 model lines, the cars displayed were a Chevrolet Corvair, a Ford Falcon and a Mercury Comet.

3. As an automobile salesman, it was my job to discuss with prospective customers the terms and conditions on which new automobiles were available for purchase by them. Where agreement on such terms and conditions was reached with a customer, I would take a deposit and prepare a Union Car Sales sales order setting forth the agreed terms and conditions and obtain the customer's signature thereon. I would also have the customer sign in blank a power of attorney authorizing the registration of the vehicle in the customer's name. I would tell the customer that it would take a certain period of time to effect delivery and that I would call him when the car was available.

[fol. 323] 4. Union Car Sales had an arrangement with Citizens Chevrolet Co., Eagle Rock, California, pursuant to which Citizens Chevrolet agreed to furnish new Chevrolets for customers who placed orders for such vehicles at CMA. Under this arrangement, Citizens Chevrolet furnished these vehicles at a stipulated markup over the price at which the factory invoiced Citizens. Accordingly, on obtaining an order for a Chevrolet, I would call a salesman at Citizens Chevrolet and inform him that a customer had ordered a specific model and color of new Chevrolet containing certain specific options. The salesman would prepare a Citizens Chevrolet Co. sales invoice covering the described vehicle which invoice showed Citizens Chevrolet Co. as the seller and the customer as the purchaser. The selling price that would be shown on this invoice would be the figure which represented the previously agreed upon markup over factory invoice. I would then mail to the salesman the blank power of attorney signed by the customer, and the salesman would in turn complete the State of California Department of Motor Vehicles Dealer's Report of Sale and

Application for Registration of New Vehicle by inserting the name of the customer in the space entitled "Name sold to" and the name "Citizens Chevrolet" in the space entitled "Dealer's Name." The salesman would complete this Report of Sale by signing it pursuant to said blank power of attorney with the name of the customer. Thereupon, Citizens Chevrolet Co. would mail one copy of the Report of [fol. 324] Sale to the State of California, keep a second copy for its files, and attach a third copy as well as a temporary paper license tag to the vehicle.

5. When the vehicle was ready for delivery I would be so informed by the Citizens Chevrolet Co. salesman. I would thereupon dispatch a driver to pick up the vehicle and the customer copy of Citizens Chevrolet's invoice and deliver them to me at CMA. On their arrival, I would call the customer and ask him to come to CMA to pick up his car. On the customer's arrival there would be a settlement between the customer and Union Car Sales on the basis of the price and conditions set forth in the Union Car Sales invoice, and I would thereupon turn over to him the keys for the vehicle. I would not show the customer the Citizens Chevrolet Co. sales invoice, but would in turn pay the price stated thereon to Citizens Chevrolet. The difference between the price stated on the Citizens invoice and the price stated on the Union Car Sales invoice represented Union Car Sales gross profit on the transaction.

6. Union Car Sales did not perform any service on the automobiles sold at CMA. In the instances that a customer questioned me about service, I told him his car was covered [fol. 325] under the Chevrolet new car factory warranty and that service could be obtained at any authorized Chevrolet dealer.

Walter H. Furness

Subscribed and sworn to before me this 29th day of April, 1964.

L. R. Rinehart, Notary Public in and for the State of California.

My Commission Expires Feb. 15, 1966.

(Seal)

[fol. 326]

RAYMOND LANCTOT

Designation by All Defendants

1 My name is Raymond Lanctot. I live at 480 Keene Drive, La Habra, California. I am an electronic engineer on the technical staff of Hughes Aircraft Company, Fullerton, California.

In October 1960, I signed an order for a new 1961 Chevrolet station wagon with Mr. Masching, a salesman at the Gemco discount store in Anaheim. Mr. Masching told me that it would take about a month for delivery, and as it turned out I had to go back east within a month and it was necessary for me to drive back, and I asked him if the car could be purchased a little sooner, say in two weeks and he said he would try for me, but he wouldn't guarantee it. He told me he was acting for a Chevrolet dealer but couldn't tell me at the moment just whom I would be buying it off of. He said it would be a dealer within the local Los Angeles area.

Q. Well, did he tell you you would be actually buying the car from a Chevrolet dealer?

A. Yes, I would be buying it from a dealer and that I would pick it up there at Gemco.

[fol. 327] Two weeks later they were having what they called a road show at Gemco. There were all the American makes on display in the customer parking lot of Gemco. There were Fords, Plymouths and other Chrysler products and Chevrolets and other General Motors products. They were displaying all the different models of Chevrolet. The cars were displayed out in front of the Gemco store in a certain area of the customer parking lot, and, as far as I know, were being offered for sale.

They had one white, 6-passenger Chevrolet station wagon on display there. The car had a sticker on the window and on the door sill with the name: Citizens' Chevrolet of Eagle Rock. I asked Mr. Masching if I could purchase that one instead of the one I had ordered. He said OK. I took delivery right there that afternoon. When I took delivery of this car, it had a new car warranty on it.

At that time I signed the Dealer's Report of Sale and Application for Registration (Def. GM Ex. X which stated

that the car was sold to me by Citizens' Chevrolet on November 12, 1960.

The Gemco store operates on one floor and sells just about everything you can imagine. They sell all types of home conveniences. The new car department was a small [fol. 328] section with about four desks and filing cabinets and tables with brochures of, I would say, just about every car that is on sale in the country now. Although there were other salesmen there, I dealt only with Mr. Masching.

[fol. 329]

HENRY ADAMS

Designation by All Defendants

My name is Henry Adams. I live at 12360 Riverside Drive, North Hollywood, California.

During the years 1959 and 1960, I was employed by Bruder Chevrolet of 5950 Hollywood Boulevard, Hollywood, in the capacity of the salesman who handled DDSI referrals from Fedco stores. Prior to that time, Paul O'Sullivan was the principal in the account and I worked the account in his absence.

I have visited the Fedco stores in Van Nuys and on Slauson Avenue in Los Angeles at which DDSI operated a new car referral department. The first had a booth for the man writing the referrals; the second had a small room about 10 by 25 feet for the same purpose. I recall there was a picture, I believe, of a Chevrolet over the desk in the Van Nuys store.

A customer referred to me by Fedco store would be given a sealed envelope, with my card on the outside indicating me as the Fedco representative. The customer was instructed to see only this representative.

This card was a fold-over type with my name, the dealership address and my office hours. The back of the card [fol. 330] had a map showing how to get to Bruder Chevrolet from the particular Fedco store. These cards were made up by Fedco but I believe that Bruder Chevrolet paid for them. I am not certain.

The envelope which arrived sealed would have information inside it such as the make of car the customer wanted,

the model number, the name and address of the customer, a description of the trade-in, in some cases the wholesale Blue Book value of the trade-in, and a remark whether the customer was ready to buy now or at some future date.

Fedco had established a contractual arrangement with Bruder Chevrolet to sell to Fedco-referred customers at a fixed figure over the dealer's actual invoice. During 1960, this figure was \$250. But an automobile sale isn't a cut and dried thing of listing a bunch of figures. In theory it works out beautifully but in practice it doesn't work out this way. There are many other factors which enter into the sale of an automobile. For example, a Fedco customer from Santa Ana, whose trade-in is appraised by us at \$1100, says, "I can get \$1300 for this car in Santa Ana," and starts to leave. I would say, "I'll give you \$1300," and to make up for this I would then add \$200 to the price of the new car. If this man is a real chiseler and a real hard bargainer, I [fol. 331] might add another \$100 to the new car price because he is going to steal another hundred from me before the deal was consummated.

There were many instances when I did charge Fedco referrals more than the \$250 over the dealer's invoice and there were many instances when I charged less.

We supplied DDSI with copies of the customer's order and interim agreement showing the prices on each sale to a Fedco referral. They policed me actually. They would call me up when we were out of line and I would have to explain.

I talked to Miss Miller of DDSI on the telephone almost daily. I would have to report how many people were in, how many people purchased automobiles; or, if there was a deviation from the \$250 figure, I would generally call to explain why we made the deviation in this particular instance. Occasionally—approximately once a week on the average—I would telephone Miss Miller to advise her that I would have to deviate from the \$250 limit on a specific deal and obtain her prior approval.

Q. What commission did you receive on these sales through Fedco?

A. I was paid, I think for most of the time I handled them, \$50 flat.

[fol. 332] Q. Let's talk about 1960 and 1961.

A. I was paid 200—I am sorry. I was paid \$50, if my memory serves me correctly, except in the area when we did increase the price during the strike area, I believe I was paid 25 per cent of anything in excess of 250 during that unusual area.

Q. When you sold at more than \$250 over invoice, you received an additional 25 per cent, didn't you?

A. I believe I did.

Q. I think so, too.

And so there was an incentive for you to sell at more than \$250 over dealer cost, wasn't there?

A. Yes.

I feel that a customer who drove a long distance from a Fedco store to our dealership did so because he strongly considered that he was going to get a tremendous deal on an automobile. I don't know how good a salesman the Fedco store had to lead these people to come all the way from San Bernardino to Los Angeles to buy an automobile. I believe they felt they would have an added advantage by going through a discount house or referral system.

Q. Do you think that the referral arrangement with the Fedco store in San Bernardino gives Mr. Bruder any undue advantage as compared with the dealers in the San Bernardino area?

[fol. 333] A. I think that any time you expose yourself to a customer, you have a chance of selling him a car, and consequently you do have an advantage, I would say so, yes, he would have an advantage.

I generally would try to tell a Fedco referral customer that we would like to have him bring his car back to Bruder Chevrolet for service but that it was not essential. I really didn't expect those referred from the San Bernardino and San Diego Fedco stores to do so and generally they didn't. To a certain extent, this was true of those referred from the Lakewood Fedco store.

Fedco publishes a Fedco magazine, about the size and thickness of *Time* or *Newsweek*, filled with advertisements of various types of merchandise. Pltf. Ex. 184 includes an advertisement entitled "Automobile Gossip"—from one of the Fedco magazines. I have seen similar advertisements in that magazine. The automobile pictured is a Chevrolet Corvair. This Fedco advertisement says: "We have an

authorized representative at these agencies to assist you and save you money on the following cars." However, I didn't feel I was the representative of Fedco. I felt I was the representative of Bruder Chevrolet in handling the Fedco account.

[fol. 334]

JOAN MILLER

Designation by All Defendants

My name is Joan Miller. My residence address is 1147 North Beechwood Drive, Los Angeles 38, California.

I am the office manager and Vice President of DDSI and have been employed by it since July 1955. I have been and am familiar with DDSI's business relations with various automobile dealers in the Los Angeles area. The DDSI arrangements with Bruder Chevrolet and Warren Biggs Chevrolet were the same as those that DDSI had with dealers in other makes such as Ford, Plymouth, Pontiac, Buick, Oldsmobile, Mercury, Rambler, Studebaker and various imported cars.

Def. GM Ex. AP is a mimeograph form DDSI used in 1960 and 1961 to send to dealers with whom DDSI was considering making arrangements for the sale of cars. It is a uniform arrangement with all our dealer-suppliers. This was the form that was used not only with Bruder Chevrolet and Biggs Chevrolet but also with the dealers in the other makes of cars.

[fol. 335] The customers DDSI referred to Chevrolet dealers in the Los Angeles area purchased their cars directly from the Chevrolet dealers. In no case did DDSI take title to the car and then resell it to the customer.

DDSI received a \$50 fee from the dealer on any car sold to a Fedco-referred customer. One half of this fee was paid by DDSI to Fedco to pay for the space provided in the Fedco stores.

Our policy was to refer Chevrolet customers from the Fedco stores in Lakewood, Los Angeles, (Slauson Avenue) and San Diego to Warren Biggs Chevrolet and to refer Chevrolet customers from the Fedco stores in Van Nuys and San Bernardino to Bruder Chevrolet. There was so much Chevrolet business that one dealer couldn't sufficiently

handle it. As long as their prices were the same, we referred to both. Frequently, Mr. Adams, the salesman at Bruder Chevrolet, would call and say, "Mr. Bruder wants to know what we have to do to get more business." I would say: "Well, your prices are the same; all we have to do is see better results of the people that we send to you to give you more of the business." Mr. Adams' percentage of sales, measured by the number of people we sent him, was lower than Mr. Blair's, the salesman at Warren Biggs Chevrolet. [fol. 336] During the years 1960 and 1961, DDSI did not maintain a separate auto referral location at the Fedco stores in San Diego and San Bernardino. It was part of the insurance counter of Federal Employees Insurance Agency. Auto referrals were handled by the employe of the insurance agency under our instructions. He was paid \$5 by DDSI for handling each car referral. At each of the other three Fedco stores (in Van Nuys and Lakewood and on Slauson Avenue in Los Angeles), the DDSI auto referral activity was handled by a DDSI employe who had a separate space for this purpose. At all five Fedco locations, there was a neon sign saying, "Auto Referrals." There was also a sign saying, "Automobiles Available on Referrals," with a list showing the names of the cars available.

I have worked at a DDSI referral desk at Fedco locations. Oftentimes, the first thing a customer would want to know was the price of the car. I would tell him: "We don't quote prices but I can give you a referral to a dealer with whom we have a price contract. We have a man designated at that agency who handles our account and he will be happy to quote an exact price to you." Sometimes, I would tell him that we signed to a contract that dealer or dealers who were willing to sell the cars at what we felt to be the best price; that, because of the enormous amount of traffic in the Fedco stores, we felt that the dealers were interested [fol. 337] in doing business with our type of people. Especially if the customers pressed me about a price, I would also tell them that it was a one-price policy; that it was the base price on the car plus the profit specified in our agreement with the dealer; and that the accessories were all to be sold at dealer invoice cost.

In talking to a Fedco customer who is not sure which make of car to buy, I avoid suggesting any make. I make a

point to stay out of it because, if I suggested a Chevrolet or Ford and the customer was unhappy with his purchase, he might come back and throw rocks at me. I explained to the customer that I would rather not recommend.

When we received the Bruder Chevrolet letter agreement with DDSI for the 1960 model (Pltf. Ex. 151), it stated a price of \$250 over invoice for Chevrolet passenger and Corvair cars. I telephoned Henry Adams at Bruder Chevrolet and asked if Corvettes were included. He told me he would have to check. He called back and said, no. I asked what figure was to be used. He asked what Warren Biggs (the other Los Angeles Chevrolet dealer selling through Fedco) was doing. I told him that the Biggs letter said \$300 over invoice for Corvettes and Mr. Adams said that [fol. 338] they would do the same thing.

On the DDSI copy of Pltf. Ex. 147, which is the letter agreement between Biggs Chevrolet and DDSI specifying that 1961 Chevrolets would be sold at \$250 over actual invoice and 1961 Corvettes at \$300 over actual invoice, I added after the word "Corvette" the notation "& Monzas." The reason I did this is: Although Corvair Monzas were an extremely popular car, they were not separated in the Biggs Chevrolet letter from other Chevrolets which were to be sold at \$250 over actual invoice. Mr. Blair, the salesman at Warren Biggs Chevrolet, advised me that Mr. Biggs felt that he would have to get \$300 over invoice for Monzas and Mr. Blair asked if it was all right with me. Mr. Dupuie and I agreed that it was fair that they get \$300 on a popular car like that, so I made the handwritten notation.

I would not be overbearing with Bruder Chevrolet if the price charged a Fedco referral for a Corvair Monza exceeded the \$250 limit. Monzas were a hot item, a premium item just like the Chevrolet Impala sports coupe and the Corvette. In the automobile retailing business, the more popular the model, the shorter the supply of that model, and the greater the demand, the higher the price.

[fol. 339] I received two copies of the customer purchase order on sales to Fedco referrals made by Bruder Chevrolet which showed the price charged the customer. I sent the second copy to Mr. Denny who was on the Board of Directors of Fedco. Both of us had the same reason for receiving these copies. He wanted to check us while we were checking

Bruder Chevrolet to see that the agreement on a maximum gross profit was being complied with.

The entire purpose in checking the copies of the customer purchase orders from Bruder Chevrolet was to see that errors weren't made; to bring errors to the attention of whoever made them; to place him on notice that I had observed his failure to live up to the agreement; and to see to it that in the future the maximum figure was strictly adhered to.

I cannot recall any instance where I asked them to make an adjustment with the customer where the gross profit charged the customer exceeded the agreed maximum.

On sales made to Fedco referrals by Warren Biggs Chevrolet, the same procedure was followed with regard to receiving and checking copies of customer purchase orders to determine if the gross profit ceiling had been adhered to and questioning those that did exceed the maximum. [fol. 340] mum.

Cross-Designation by Plaintiff

Q. Did you produce, Miss Miller, in response to the subpoena duces tecum that was addressed to Dealers Diversified Services, Incorporated, letter that you received from various Chevrolet dealers in which they offered to do business with the Dealers Diversified Services, Inc. on this referral program?

A. Yes, sir.

Q. Now, would you tell us how many of such inquiries concerning entering into these business relationships you accepted or followed up?

A. Well, the phone—salesmen, managers would call constantly from not only Chevrolet but other makes of cars—other parties, but if we entered into serious negotiations with every salesman that called on the phone looking for some business, we wouldn't have had time to write referrals or run our business. So I would take the calls and tell the salesman—listen to what he had to say and then say, "Well, if you will send us a letter stating what you have in mind, telling us at which price you are interested in selling cars to our customer, and when we receive that—and have it signed by somebody of reasonable authority, when we re-

[fol. 341] ceive that letter, if we are interested, we'll call you."

Q. And then, so it was a frequent event for you to receive inquiries from different types of dealers, including Chevrolet dealers, in which they offered to do business, isn't that correct?

A. It was a rare week that the phone didn't ring for that purpose at least 20 times.

Q. So this would reflect, I take it, that the dealers were anxious to do business on that basis and were soliciting Dealers Diversified Services to enter into a business relationship to sell cars on a referral basis?

A. That is correct.

[fol. 342]

BERNARD T. DOTTL

Designation by All Defendants

My name is Bernard T. Dottl. I live at 8217 Hoxey Avenue, Los Angeles 45, California. I am a salesman employed at Warren Biggs Chevrolet. I have been there about a year and three months. Before that I was employed by West Adams Chevrolet—from October 1959 to September 1961. Before working at West Adams Chevrolet, I was employed by Warren Biggs Chevrolet for about one year and eight months.

When I was first employed at Warren Biggs Chevrolet, I handled referral service accounts of Fleet Sales Company located on Crenshaw Boulevard in Los Angeles. The way this worked was that each morning I received various referrals from Fleet Sales in the mail. It was my job to immediately contact these prospects and explain to them that this was a one-shot deal, one call. If they didn't buy, nobody was mad; if they didn't like the price, we would just forget it. The customer received a copy of the referral slip with no pricing on it. The one I received was priced out. I would ask the customer if he was ready to buy before I showed him my slip with the price. I explained to the customer that, if he was ready to buy, I expected him to give me a deposit and buy it, or pass, and we would forget [fol. 343] the whole thing. So I would show him the pricing. If he liked it, we received an order.

Q. As far as you know, Mr. Dottl, did the customer get any piece of paper from Fleet Sales Company that had the price on it?

A. No, they did not.

Q. So when the customer came to your place of business they did not know the price that you were going to quote them?

A. Definitely not.

Q. . . . Fleet Sales Company filled in the price, I take it, on the sheet you got in the mail, did they not?

A. That's correct.

Q. Will you tell us how they came to fill in the price?

A. These prices were all pre-arranged or pre-adjusted according to the market.

Q. So that Fleet Sales Company knew in advance the price that you were authorized to quote a person referred by them?

A. That's correct.

Q. Was it your understanding, Mr. Dottl, that that price would remain constant, or was it subject to change from time to time?

[fol. 344] A. The only possible change that would be made, if the number of sales to the number of referrals dropped off, that mean that they were too high with the current market.

A typical conversation with a prospect would be as follows: I would ask him if they were ready to buy, and they could say "Yes" or "No," and if they brought some money with them, to place a deposit on a car if they liked this price that I was going to present to them. They usually would say, "Yes, we know this is a one-shot deal or a one-call deal, and if we like the price, naturally we will give you a deposit." So I would turn my sheet over and let them look at the prices and, if they liked the price, why, naturally, they gave me a deposit.

Q. What if they didn't like the price, Mr. Dottl?

A. Nobody was mad. We didn't care to have them come back.

Q. Did you renegotiate the price with them?

A. No, sir.

Q. Did any customers ever suggest to you that they had that price beat by another dealer?

A. I was never interested in that when they brought that up.

[fol. 345] Q. Regardless of whether you were interested, did any customer suggest that they had that price beat by another dealer?

A. Oh, yes, they have said that many times.

Q. Did you attempt to renegotiate the price with those customers?

A. No, indeed.

Q. You quoted them the one price and that was it?

A. That's correct.

Sometime in 1959, I was approached one day by Mr. Biggs or one of my superiors there and told—no more Fleet Sales. I got no reason why or anything else.

After that, in about October 1959, I began working at West Adams Chevrolet. The owners of Fleet Sales Company suggested that I make this change in order to handle their referrals to West Adams Chevrolet. Mr. Pippin, with whom I talked at West Adams Chevrolet, understood that I was to handle the Fleet Sales referral accounts. At that time, West Adams Chevrolet was already doing business with Fleet Sales Company.

[fol. 346] At West Adams Chevrolet I handled the customers referred by Fleet Sales Company in the same way as I did while I was at Warren Biggs Chevrolet. The prices quoted to customers referred by Fleet Sales were pre-arranged between Fleet Sales Company and West Adams Chevrolet before I went to work at West Adams Chevrolet. These prices were subject to change from time to time as market conditions may have changed.

On each referral that was sold, Fleet Sales Company was paid by West Adams Chevrolet one third of the gross profit on the sale (the amount over the dealer's invoice cost plus \$10 dealer advertising) up to a maximum of \$75. As the salesman, West Adams Chevrolet paid me 25% of the gross profit that was left plus \$100 bonus when I delivered 20 cars.

[fol. 347]

CARROLL DAVID CONE

Designation by All Defendants

My name is Carroll David Cone. I am an automobile dealer. I have an interest in two Chevrolet dealerships, Cone Bros. Chevrolet, Anaheim, and Cone Chevrolet Co., Fullerton. Both of these dealerships are located in Orange County, California.

I recall attending a meeting with a group of Chevrolet dealers in the office of Mr. O'Connor some time in or about July 1960. I wasn't too vocal in that meeting. Some of the others had reports of shopping they had done but I didn't. Mr. O'Connor was courteous but very non-committal. He heard what we had to say—that we felt these were unauthorized outlets—and we were encouraging him to do whatever he could do about it.

Mr. O'Connor's reply, the best I can recollect, was that he thought that was the wrong type of merchandising, and he would try to have the parties involved contacted and talked to.

Subsequent to that date, in November 1960 I was in Honolulu but I wasn't at the Loser Annual Meeting on November 10. When I got back I found out my salesmen had gotten together and written letters and telegrams to [fol. 348] Mr. Gordon, Mr. Cole, Mr. Staley and Mr. O'Connor. They were all written and they were very anxious to send them and asked me immediately when I got back if it was all right to send them. I did not encourage them or ask them to write. They were adamant and up in arms. I said, "You are all free, white and 21 and it is your livelihood as much as it is mine; just go ahead and do what you want." I believe the Ford salesmen did the same thing. I did not see one, but the Ford boys got a telegram direct from McNamara—that is what they told me, and he said he was unequivocally against this type of merchandising—he was the President of Ford at the time. Now he's the Secretary of Defense.

I wrote a letter to Mr. Gordon (Pltf. Ex. 35), Mr. Cole (Pltf. Ex. 36), Mr. Staley (Pltf. Ex. 37) and Mr. O'Connor (Pltf. Ex. 39) personally. In my letter I said that the sales through discount houses had a deteriorating effect on the

morale as well as of the earnings of our career sales people. Our career sales people would demonstrate the automobile, would spend their time and effort and then the deal would be made through a discount house. There was quite a period there when people had the psychology that at a discount house you were buying something cheaper than you were any place else. Now I don't know whether that has been proven or disproven, but a lot of them would try it. I [fol. 349] believe a lot of people went into the discount store just because it had a sign up "Discount House" and just willy-nilly bought a car without any knowledge as to what the car could be purchased for. Consequently our salesmen would lose the deal. That became very demoralizing and some of them quit.

I felt that discount outlets were wrong because they diluted the market. What I mean by that is this. When a Chevrolet dealership is set up—a planning potential is arrived at for that dealership. If we set our dealership up on a basis of selling, we will say, 700 cars a year, our facilities are that big, the number of mechanics we hire are that big, the number of parts that we got in stock are that big, and everything is commensurate with the 700 automobiles. We carry an adequate parts stock to properly service and see that those Chevrolets are kept running. I think our inventory will run pretty close to \$60,000 at all times—that is finished Chevrolet parts—to keep those cars going. In addition to that we have to maintain an adequate service department and factory trained mechanics, so that they are properly trained and capable of keeping those cars running and creating the image that we want to create as an individual dealership, and also the image that Chevrolet wants to create on a national basis for the reason of perpetuating [fol. 350] the business and perpetuating the car. And, then, all of a sudden, there are two or three unauthorized outlets that are opened right there, then, that drops down, you see, from 700 to 450 or 500, it makes it an unprofitable situation to be a Chevrolet dealer and it makes it an insolvent deal to build buildings or have adequate quarters or adequate machinery in order to survive as a retail automobile dealer. So, when I refer to the dilution, I mean that instead of having one authorized outlet for a given planning potential, you have got several outlets—just anybody

can sell an automobile that has got a telephone and a desk and has got a connection; and there is a lot more responsibility that goes with selling an automobile than a telephone and a desk.

On December 6, 1960 I wrote a letter to Bob O'Connor (Pltf. Ex. 106). I had a telephone conversation with him almost immediately prior to the writing of this letter and told him that the Orange County Automobile Dealers Association saw fit to have a complete set of pictures taken of the Gemco show, and all of the display of the automobiles.

I also sent a letter to Bob O'Connor in January 1961 (Pltf. Ex. 128) to acquaint him with the situation as it [fol. 351] existed as of that date—and to tell him that it had not changed substantially from the time that the Roche and Staley letters had gone out. The writing of this letter was an individual effort. The initiative was all on our side.

In mid-February 1960 the Losor Board of Directors decided to go out and make an actual purchase of an automobile and to eliminate the conversation. We decided to buy the car, take delivery on it and resell it ourselves—if we sustained a loss it would be absorbed by the Association—we didn't want any individual to carry the load.

Both Cone Chevrolet Co. and Cone Bros. Chevrolet are members of Losor—it is the corporation that is the member. Losor is not a part of General Motors in any respect—no connection at all—and no direction or indication of action that the Association should take is ever suggested by General Motors. As a matter of fact, I think they have a ruling that one of their employees can't even attend a meeting as a guest.

[fol. 352] Additional Designation by Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc. and Foothill Chevrolet Dealers Association

Losor has a trading bureau which is substantially like DSI's and Foothill's. It would be physically impossible for any one of us to operate and endeavor to deliver a car to anybody the way they want to have it, with all the ramifications and options and colors and models of three or four different lines of cars—so every Monday morning, our car trade girl calls in her stock to Losor and everybody else in the organization does that, and assuming that a prospective

purchaser comes in and wants a white Impala 1837 and so on, we would call that in to the trade association and they would tell us what dealer had that in stock. If we could find a dealer that had one then we call and we will trade a car for car.

Usually they will accept a car that we have in stock for the car that they have. This is a tremendous benefit to the members. I would hate to operate without it. To my knowledge none of the dealerships that were selling through discount houses or referral services were denied this privilege of partaking in the trading bureau. I know of no action taken by Losor to deprive any of its members of any of the activities of the association.

[fol. 353]

WILLIAM HOWARD SEIMAN

Designation by All Defendants

Sometime after November 16, 1960, I don't recall how soon after, 2 or 3 days I think; maybe a week, Bob O'Connor came to Selman Chevrolet in Orange, California, to meet with my salesmen. We had a meeting in the salesroom. There might have been one or two of my salesmen absent but I think most of them were there that signed the telegram (Pltf. Ex. 15). I was there. I didn't know prior to the meeting what Mr. O'Connor wanted for I didn't know about the telegram. I welcomed him and said, "Glad to have you out. The boys are ready."

He said, "I want to discuss the telegram you sent to Mr. Gordon," or someone.

I was quite embarrassed, I did not know about it, and I asked him, "What telegram?"

He said, "The telegram that your men sent to Mr. Gordon," I believe.

That was the first of my knowledge of the telegram.

So we all sat down. I introduced Mr. O'Connor to some of my men who I didn't know whether they knew him or not. Mr. O'Connor said to the salesmen, "I want to discuss the telegram that you gentlemen sent Mr. Gordon." He [fol. 354] said. "I have it here, and I know that you boys

are riled up a little bit, I know how you feel, but as zone manager it is not in my power to establish policy for the corporation. I am sure that General Motors Corporation is aware of these things that you gentlemen are complaining about, and they have a policy board, or some sort of people in Detroit, who rule on policy. It is not in my jurisdiction as a sales manager for the zone to do it, and I regret that I can do nothing about the thing at this time."

That's about the speech. Mr. O'Connor did not make any statement in respect to whether or not the dealers who were selling through discount houses or referral services were violating their Dealer Selling Agreements.

Q. Mr. O'Connor came out to Orange and in effect told your salesmen and yourself that there was nothing that he could do about the matter about which they complained?

A. That's right. It was a matter of policy which would be determined by General Motors, and that General Motors was aware of the complaint that they had registered. And that's about it.

[fol. 355]

MARION H. JOHNSON

Designation by All Defendants

My name is Marion H. Johnson. I am Vice President and part owner of Harbor Chevrolet, a Chevrolet dealership in Long Beach, California. I also act as General Counsel for Harbor Chevrolet. I am an attorney and was in private practice in this State as well as serving as a Deputy District Attorney and as City Prosecutor in Oakland and Alameda, California. I started working for Harbor Chevrolet June 1, 1956, and have been with Harbor Chevrolet continuously since that time. Mr. Henson, the President and a part owner of Harbor Chevrolet, is my father-in-law.

Mrs. Evelyn Davis is a secretary for Losor Chevrolet Dealers Association—her main duties are to run our trading bureau. Some time in February, 1961, probably around the 14th, she told me she had placed a deposit on a new Chevrolet at Gemco—and that she was buying it for Losor. She said that she was worried about buying it just as a single woman without her husband. But she had been

married for many years and her husband had always been with her when she bought a car—so I offered to go along. It wasn't my suggestion she buy the car—she already had been there and made a deposit before I knew anything [fol. 356] about it. She had borrowed a Gemco membership card from Eric Palmer.

I don't know whether it was Mrs. Davis or Mr. Cone, but one of them I believe told me that Eric Palmer was an employe of Cone Bros. and that he had loaned the card to Evelyn or to Mr. Cone, I don't know which, and gave permission to use it in the purchase of an automobile. That was my understanding.

There were lots of rumors that people could buy cars at this discount house and at that discount house. The salesmen were very, very unhappy, they thought it was unfair competition and were growling to us continually about people coming from discount houses, and when they wanted to wait on them they would say, "No, we merely want to see the color, we want to get the option numbers, we have already purchased the car at a discount house and they told us to come over here and get the pertinent data so they could order the car for us." We went to Gemco to determine whether Chevrolets were being delivered through them and from what dealer they were being obtained.

At Gemco Mrs. Davis and I met a Mr. Webb and there was quite a bit of conversation about it, but he said that he couldn't deliver the car at that premise because he did not have a license.

[fol. 357] Q. Did Mr. Webb tell you that he was in the process of obtaining a license?

A. He may have. I don't recall.

Q. Did he explain to you about a transition in ownership of the facilities at the Gemco store?

A. He may have.

We told him that we wanted it delivered at that premises and he said, "No." We asked him where it was going to be delivered from and he wouldn't tell us. So we said that we would like to think it over, and as it was just about lunch time, we excused ourselves to go and have lunch. When we returned after lunch he told us that it was at Schonlaw Chevrolet. We told him that we wanted to drive our own car up, and so he got in his car, and he told us how to get

to Schonlaw. We drove up at approximately the same time, parked in the parking lot, and as we got out of the car, we met Mr. Webb and he took us in to Schonlaw.

I did not take delivery that day. I brought the documents—the purchase order—back to Harbor Chevrolet but Schonlaw Chevrolet had to put power brakes on the car and I took delivery a few days later. When I took delivery, I drove the car back to Harbor Chevrolet, drove it into the parking lot and told Mr. Henson the circumstances under which I had purchased it.

[fol. 358] I don't know who made the appointment but subsequently somebody made an appointment for us to go to Mr. O'Connor's office to give him the information.

When we got to Mr. O'Connor's office he seemed to know all about the transaction before we got there. I thought it was going to be a big surprise to put these papers on his desk, and when I placed the papers on the side of his desk, he already had photostatic copies on his desk of the transaction. Mr. O'Connor stated that Mr. Schonlaw had discovered that I was a shopper and that he had offered to buy the car back. I do not know whose idea this offer to repurchase was.

When we met with Mr. O'Connor in his office, the subject of whether the discount houses and referral services were licensed came up. I brought it up in telling them the circumstances of the purchase and the fact that the salesman at Gemco made the statement that they were not licensed. I believe I had thought of the matter before and I think I had discussed the matter before, but it was merely a matter of speculation on my part until I actually went to a discount house and found out for myself.

Q. What was your purpose in bringing up the subject of licensing, Mr. Johnson?

A. Well, perhaps I had more than one purpose. I know that one purpose was to tell them the facts of the purchase. [fol. 359] It was one of the circumstances surrounding the purchase. Another thing, I thought that it was unfair that we should have to be licensed, that our salesmen and dealership should be strictly controlled by the Department of Motor Vehicles, and yet people that were selling cars would not be licensed.

I still think that.

The shopping went hand in hand with determining whether they were licensed or not. It has always been my impression that before you can take any steps towards a decision, much less action, that you have to know the facts, and the only way to know the facts in this case would be to do some investigating.

Additional Designation by Defendant Losor Chevrolet Dealers Association, Dealers' Service, Inc. and Foothill Chevrolet Dealers Association

Q. Mr. Johnson, you are an attorney; don't you know that you can go down to some of the administrative agencies in the State of California and ask them if someone has a license?

A. I also know that some of these discount houses do not have licenses in the name of the discount house.

[fol. 360] Q. Wouldn't that appear from the records of the Department of Motor Vehicles?

A. I don't know. I have never looked at them. I know if I went down to look, for instance, at a license for a discount house in the discount house name, that the license might appear in another name. I think I was sitting in court and I heard testimony that these were concessions within a discount house operating under different names.

Q. Did you ever inquire whether or not the Department of Motor Vehicles listed the license holders by location?

A. I did not inquire, no.

Q. Did you ever make any inquiry of the Department of Motor Vehicles concerning the licensing of discount houses and referral services?

A. I did not, directly, but I think I have talked to people prior to that time about whether they were or not.

Q. Did you ever make inquiry of any administrative agency or department of the State of California to determine whether or not discount houses and referral services held licenses?

A. I don't know whether I did or not. I don't believe I did.

[fol. 361] Q. Did you ever discuss the matter with any of the prosecuting agencies of the State of California with a view towards seeking enforcement of the law if the discount houses or referral services were violating the law?

A. I have talked to the prosecuting agencies about viola-

tions of the law, but I don't know whether they particularly pertained to discount houses.

I sought a prosecution for a salesman acting without a license some months prior to that, and the prosecuting attorney in the City of Long Beach turned down the complaint on the ground that there was only one count, and he wanted more counts so he would have a gilt-edged case before he would prosecute it.

Q. Who was the salesman?

A. The salesman was Al Holt. As I say, it was not pertaining to a discount house, but it was pertaining to what we felt were actions outside the scope of the license.

Q. Was this one of your salesmen?

A. He had been one of our salesmen. He was not one of our salesmen at the time that we asked for this investigation and complaint.

[fol. 362] Q. But he had no connection at all with discount houses and referral services?

A. He may have. I didn't know of any connection with discount houses.

Q. So at this time you knew that the proper method of seeking enforcement of the law was to go to the prosecuting agency and ask them to prosecute people if they were violating the law, didn't you?

A. I know from my own experience as a prosecutor, as well as my experience since then, that without evidence a prosecutor is not much interested in your case.

Q. Mr. Johnson, did you know that if you suspected that the law was being violated, it was not the purpose of private individuals to go about gathering the evidence, but to turn that information over to the proper authorities?

A. I have never understood that to be a true statement of the law.

Many times, when I was a prosecuting attorney for the City of Alameda, private individuals did gather evidence and present it to me and if it was sufficient I would issue a complaint and prosecute the case. An example of that was in one instance the Encinal Terminals, which is a large subsidiary of California Packing Corporation, suspected [fol. 363] thefts within their organization. They investigated the thing completely themselves. When they had what

they thought was sufficient evidence, they brought the case in to me for prosecution.

Q. You didn't tell them to go out and get some more evidence, "We don't have enough personnel here to get it," did you?

A. I didn't even know about the case until it was presented to me. This is only one example of many.

Additional Designation by Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc. and Foothill Chevrolet Dealers Association

Toward the latter part of March, 1961, Mr. Roberts took over supervision of DeOrto. Mr. Roberts was to supervise DeOrto and the gathering, investigation concerning this discount house activities and licensing activities, and also I believe he was to prepare evidence to present to the legislature to perhaps get either further enforcement of the salesmen's and dealers' licensing law or to possibly amend the law to make it more effective.

Q. In other words, you had it in mind at that time that [fols. 364-365] perhaps the law did not adequately, as far as you were concerned, prevent discount houses and referral services from dealing in the sale of automobiles?

A. No, it wasn't that. I think the law clearly does prevent them from acting without a license, and also prevents certain phases of selling for dealers other than your employing dealer. However, our experience had been and my personal experience had been that the Department of Motor Vehicles had taken the position that they didn't feel that the law was sufficiently clear to enforce. And that is what I am referring to when I said that Mr. Roberts was to explore the possibilities of further legislation to either clarify or strengthen this law.

[fol. 366] AFFIDAVIT OF THEODORE SCHONLAW

Theodore Schonlaw, being first duly sworn, deposes and says:

1. I have been Vice-President and in charge of the day to day operations of Charles Schonlaw Chevrolet, a franchised Chevrolet dealership located at 7601 Sunset Boulevard, Hollywood 46, California, for more than 10 years.

2. On February 17, 1961, Charles Schonlaw Chevrolet accepted an order for a new 1961 Chevrolet Impala automobile from a customer giving the name Eric Palmer and the address 102 North Montague, Fullerton, California. On the same date the dealership received \$50.00 in cash as a deposit on the car from one Evelyn Palmer.

3. On February 21, 1961, the customer took delivery of the new Chevrolet at the dealership and presented a cashier's check drawn on the Long Beach Main Office of the Bank of America for \$2,971.87, representing the balance of the purchase price.

4. It is unusual for a customer to present a cashier's [fol. 367] check in payment for an automobile. I accordingly became somewhat curious. My curiosity was increased upon learning that the salesman who had sold the car to Eric Palmer was Robert A. Pagliuca, who went by the name "Joe Palooka." I had suspected for some time previous to this sale that contrary to my instructions Palooka might be selling new Chevrolets through discount houses. Accordingly, I ascertained, by having my sales manager, William H. Halvorson, call the bank which had issued the cashier's check, that the check had been purchased by Losor.

5. To the best of my recollection, on either February 21, 1961—the date the car was delivered—or on the day after, I instructed Halvorson to call Dick Hawthorne, a City Manager at the Chevrolet Los Angeles Zone Office and advise him that the Schonlaw dealership had been shopped by Losor. Halvorson reported to me that Hawthorne had stated in substance that the dealership should do nothing about it.

6. During the next few days, I recall that I spoke on the telephone to Hawthorne twice. This transaction was referred to in the course of these conversations. In substance,

I told Hawthorne that our dealership was willing to buy back the car from Losor and wanted to know what the Zone thought I should do. Hawthorne continued to indicate that my dealership should let Losor keep the car. I told Hawthorne that I had discontinued all selling through dis-[fols. 368-369] count houses in November 1960, and had informed my sales personnel that no further transactions through discount houses would be allowed. I also told Hawthorne that the Palmer car had been sold in discount house channels against my orders and without my knowledge, and that the dealership had fired Joe Palooka for disobeying his instructions.

7. Two or three days after the last of these conversations with Hawthorne, Hawthorne phoned me and told me that if I still wanted to buy the car back, the car could be picked up at the Zone Office. I told him that I did and Hawthorne said to make a check for the purchase price of the car payable to Cameron Aikens. I therefore made the dealership's check No. 86367 for \$3,021.87 dated February 27, 1961, payable to Cameron Aikens. My best recollection is that I sent someone employed by the dealership to the Zone Office to pick up the car and that I mailed the check directly to Mr. Aikens' office.

Theodore Schonlaw

Subscribed and sworn to before me this 28th day of April, 1964.

R. A. Peterson, Notary Public in and for the State of California.

My Commission Expires March 30, 1968.

[fol. 370] AFFIDAVIT OF RUDOLPH F. SCHREITMUELLER

Rudolph F. Schreitmueller of 211 Chicago Boulevard, Sea Girt, New Jersey, being duly sworn, deposes and says that:

I was an employe of General Motors Corporation from November 6, 1922 until my retirement on February 28, 1961—a period of more than 38 years. I was first employed in 1922 at the Tarrytown, New York Zone of Chevrolet in charge of the Analyzation Department, which was the early beginnings of market research in Chevrolet. In October 1925, I was promoted to National Dealer Organization Manager for Chevrolet at Detroit. In March 1930, I was appointed Manager of the Dealer Organization Department of the General Motors Sales Section which co-ordinates the activities of the sales departments of all motor car and truck divisions of General Motors—the Cadillac, Buick, Oldsmobile, Pontiac, Chevrolet and General Motors Truck divisions. I continued in that capacity until my retirement. In this position, I was concerned with market analysis and participated in the review, development, coordination and carrying out of General Motors practices and policies re-[fol. 371] lating to all General Motors dealers and to the distribution of all makes of General Motors cars and trucks.

In 1922, there was general dissatisfaction with the methods then in use to determine how many and where dealers should be located in a given area and whether a particular dealer was selling a satisfactory quantity of motor vehicles. The principal statistical information then available was the United States Census Bureau population count taken only once every ten years. This was generally published several years later and furnished population data only for the state, each county in the state and, later, for some of the larger cities.

At that time, the practice of Chevrolet and the general practice of the automobile industry was to take the expected national unit sales volume for a particular make of car and divide it into the total national population shown by the last published census count to arrive at a "population per car" ratio. This ratio was then indiscriminately [fol. 372] applied to all the communities in the country

without regard to any other local factors which would affect the market potential of the particular community. For example, New York City was an important part of the Tarrytown Zone. Because of its large foreign population and its great congestion, it, in fact, represented one of the poorest markets in the country when measured solely on total population. Conversely, wealthy suburbs, like Westchester County, New York, were far better markets in relation to their population. In the early 1920's, Tarrytown Zone was repeatedly criticized because New York City was not absorbing its so-called "proper proportion" of Chevrolets. It was this recurring criticism which spurred the development in the Tarrytown Zone of a more reliable standard for measuring sales potential and performance.

The information contained in the registration of new cars filed in state and local motor vehicle offices in New York, New Jersey and Connecticut (the states in which the Tarrytown Zone operated) offered the best and most accurate [fol. 373] rate source for this purpose. These regularly recorded data showed the name and address of all new car purchasers, the date of each purchase, the make and model of car purchased. Using these registration data for new motor vehicles, we developed our own list of car purchasers by month of purchase and for each community in the Chevrolet Tarrytown Zone. We made these community by community compilations for Chevrolets and for each of the other makes of cars which were competitive with Chevrolets—what became known as the "Price Class Market." By relating, each month, purchases of Chevrolets to the total purchases of all makes within the price class, we determined Chevrolet's performance each month in each community against the performance of its principal competitors each month in each community. This became known as "the percentage of price class."

These first community registration figures proved very revealing and helpful because they told us for the first time with almost pinpoint accuracy where the market potential and the service needs of Chevrolet owners existed [fol. 374] community by community. These valuable data therefore gave us a firmer and more accurate basis for determining how many dealers of what size we needed and where they should be located.

By use of these figures, we could also analyze sales community by community, month by month, and determine the "norm" for Chevrolet sales in relation to the entire "price class." If Chevrolet's "percentage of the price" class fell below the "norm" in any community, Chevrolet would know that there was something wrong and would investigate, find out what the problems were and take steps to have them cured before more sales were lost to its competitors. By this means, Chevrolet could, for instance, more quickly learn about and cure specific situations where its percentage of sales was suffering because of poor dealer service to Chevrolet owners or because the dealer or dealers in the area were not aggressive enough.

[fol. 375] During 1924 and 1925, the Tarrytown Zone led all of the other Chevrolet zones in the country by practically every measure of zone standings being maintained by Chevrolet. In addition, Tarrytown was the first Chevrolet zone in the country to outsell Ford. Because it had these community by community data on Chevrolet's price class performance, it was able to do this as early as 1924, at a time when Chevrolet was being outsold by Ford in some areas such as Texas by as high as forty to one.

In September 1925, it was decided to nationalize this system. I was assigned to the Chevrolet Central Office in Detroit to supervise its installation in every Chevrolet zone in the country. As this system was used later by more and more of the other Chevrolet zones in the country, Chevrolet's ability to compete with other car manufacturers—especially Ford, the leader at the time—was substantially helped by the fact that Chevrolet was the only car manufacturer using this more accurate, detailed and current information about the amount and location of the sales potential and the performance of Chevrolet dealers in each [fol. 376] community. In 1926, R. H. Grant, then General Sales Manager of Chevrolet, made the statement that this system, when adopted for the country, was probably worth an extra 250,000 cars nationally to Chevrolet, even at the volume levels of the time.

In the fall of 1926, I ran into a specific illustration of the fallacy of the "population per car" ratio then still being used by other manufacturers and by Chevrolet field personnel in other parts of the country. In discussing a plan

for the number and location of Chevrolet dealers in the metropolitan Chicago area, the regional manager stated that we should have one Chevrolet dealer for every 50,000 people in Chicago. At that time the population of the city was about three million. This would have called for 60 Chevrolet dealers or about 25 more dealers than they already had. Yet the statistical information we had on the existing Chevrolet dealers in Chicago demonstrated that we already had more dealers than we needed for the sales potential of that area and that many were unable to operate profitably. To have added 70% more dealers in these circumstances, assuming that we could have persuaded the required additional number of dealers to make the necessary investment in the face of these facts, would have meant that a very high percentage of them would soon end [fol. 377] up in financial failure because of the clear lack of adequate sales potential to support that large a number of dealers. Even if Chevrolet could have temporarily gained an increase in unit sales by a temporary over-supply of dealers, this gain would have been more than outweighed by the losses in sales that would have resulted from the inevitable disruption and unrest that dealer failures bring, the discouragement of investments by new dealers that such failures generate and the cumulative adverse effect on car owners in having substantial numbers of dealers go out of business.

The Chicago Regional Manager was overruled by Chevrolet's Central Office and rightly so. Both had the same objectives—to obtain a satisfactory and expanding volume of sales for Chevrolet products. However, what the regional manager missed was that the long term success of Chevrolet depended on its ability to build and maintain a stable and reasonably profitable dealer organization before it could help to achieve a consistently satisfactory volume of sales. What he did not adequately realize was that the most effective way for Chevrolet to compete at the retail level against its rivals was to follow a course in the appointment [fol. 378] and location of dealers which would give reasonable assurance that during good years and bad and for popular as well as less popular model years, a network of qualified dealers would be operating throughout the country, dedicated to the promotion of the sale of Chev-

rolets and adequately equipped and staffed and conveniently located to take care of the service needs of Chevrolet owners. This goal could be attained and maintained only if the dealer body, as a group and individually, could foresee a reasonable prospect over a reasonable period of years for a satisfactory return on the heavy investments they were being asked to make. Obviously it was not General Motors' policy to attempt to guarantee profitable operations for each of its dealers. However, its policy did involve attempting to avoid the creation of conditions, through the appointment of too many dealers or poorly located dealers, which would make successful operation so difficult or impossible that an effective dealer system could not be maintained. This could be achieved only if the number, size and locations of Chevrolet dealers were carefully matched to the sales potential and service needs of the areas in which they operated. This long-term philosophy became the keystone of all future Chevrolet, and eventually General Motors, dealer planning.

[fol. 379] During the early 1920's, R. L. Polk & Co. had started a business of collecting data on the registration of new and used motor vehicles. In the mid-1920's Chevrolet made arrangements with that company to collect and compile monthly new motor vehicle registration data community by community on a national basis for all cars and trucks in the Chevrolet price class. It was not until 1929 that R. L. Polk & Co. was able to complete arrangements for the regular publication of these data nationally. Once this was done, these data were regularly available to Chevrolet for each of 40,000 communities in the United States, from the largest city to the smallest town. As changes occurred and as new communities were established or as old ones grew, shrank or disappeared, these changes were reflected in the data which were published by R. L. Polk & Co. every month of the year. Originally Chevrolet was the only automobile manufacturer purchasing these community registration data from R. L. Polk & Co. It was well into the 1930's before Ford and Chrysler and other automobile manufacturers fully recognized the value of these data and began to subscribe for these services.

[fol. 380] In developing the community motor vehicle registration system, it became apparent that special require-

ments existed for the very large cities such as New York. The community motor vehicle registration data, as published, showed totals for each of the five boroughs making up New York City. However, each borough contained a large number of new car purchasers and more than one Chevrolet dealer. The available data, therefore, could not be used to measure the individual dealer's sales potential or performance or the service needs of his immediate area. This problem was attacked by developing in the mid-1920's what became known as the "block breakdown." The Borough of Brooklyn, for instance, was subdivided politically into assembly districts and the individual purchasers in the price class were located by district. Thus, instead of looking at the Borough of Brooklyn as a whole, Chevrolet was able to assess individual section and examine the sales potential, the service needs and the market performance of 45 segments of the Borough. This system of "block breakdown" was ultimately developed for almost all of the large cities of the country. Because these special data were very expensive, they were obtained only when a metropolitan area [fol. 381] was being surveyed in depth from a sales, service and dealer organization standpoint.

During the years succeeding 1929, the development of a scientific system for surveying metropolitan areas was one of evolution. The problem was comparatively simple to state under the established objective of matching dealers and the sales potential revealed by the registration data. What we were seeking to determine was the number, size and location of the Chevrolet dealers to be appointed within a defined area so that each dealer would have a market location capable of generating a reasonable profit opportunity on his investment, while assuring that the total dealer organization would be adequate to obtain for Chevrolet a fair share of its price class market and convenient, satisfactory and adequate service to the owners of Chevrolet cars and trucks in the area.

However, the solution of the problem in individual areas was quite complex. The first job was to develop a "block breakdown" of new car registrations by workable segments of the area to obtain data on where the sales potential and [fol. 382] car population were located within the city proper. The next phase was the determination of the proper

dealer locations to serve the area. We experimented with many different factors which could assist us in the selection of the proper dealer locations. The billboard advertising companies regularly conducted studies of traffic flow. Copies of these studies were obtained and were superimposed on a basic map of the city. Another element we had to determine was the locations where most people in the area made their major purchases. We found that plotting the locations of banks, theaters and new car dealerships on the map provided admirable indications of desirable dealer locations. In addition, we made use of surveys and studies prepared by local real estate boards, chambers of commerce, major banking institutions and public utility companies.

By this means, we developed what we called an "ideal dealer organization" for each metropolitan area. That is to say, if there were no Chevrolet dealers and we were starting fresh, what should the dealer organization consist of in number, location and size in the particular metropolitan area. The first problem was to decide where the first dealer should be located. At that time, this was usually the downtown dealer who also had the highest overhead and who, because of his location, attracted business from all over the metropolitan area from both a sales and service standpoint. Once we were able to fix the size, location and sales and service potential of the first hypothetical dealer, we could then develop the same information for the one or more other "ideal" dealer locations which the total sales potential and service needs for the particular area indicated were necessary. This would also involve deciding whether the maximum potential volume and service needs could be better served by one dealer operating at a specified location or by two or more dealers operating at specified locations. This decision was, of course, influenced by the physical factors involved in the particular area as well as the investments and costs of operating that the dealers would face. By this careful process, an ideal total dealer organization would be projected for the area based on the sales and service volume that vehicle registration data over a representative period of years indicated would be required to support the number and size of the dealerships projected.

[fol. 384] The investments necessary to operate a dealership in a metropolitan area have always been substantial. I cannot recall the figures for 1929, but in 1960 dealer investments in the Los Angeles Metropolitan Area, for example, ranged from about \$70,000 for the smallest dealers to as high as \$1,500,000 in a few instances.

We proceeded upon the theory that each dealer's place of business should be so located that he would have sufficient sales (and hence profit) potential to become and remain a Chevrolet dealer at the location. Unless this incentive was offered, the needed location would not remain covered, Chevrolet would lose sales and Chevrolet owners would be unhappy over the lack of convenient service facilities.

The final step in a metropolitan area survey was to relate the existing dealer organization to the ideal and then determine the steps that should be taken and how and when they should be taken to achieve the ideal dealer set-up.

The jarring experiences of the depression years taught [fol. 385] us a number of lessons. With the increasing demand for cars and the fast rise in the business cycle in the late twenties, the car industry had kept appointing more and more dealers so that in 1929 it found itself with more than 51,200 dealers, selling a total volume that year of 4,400,000 cars, an average sales potential of only 86 cars per dealer. Within the next three years—1930 through 1932—the new car volume dropped more than 65%. Some attempts in the early thirties to try to counteract this drop in volume by appointing additional dealers actually worsened the situation. It increased the total dealer investments and operating expenses in the face of a constantly decreasing demand. The increase in dealer outlets reduced the average share of sales that each dealer could hope to capture without improving the total demand for cars. This experience demonstrated clearly that it was the potential in the particular area and not the number of dealer outlets that determined how many cars would be sold.

The depression years also demonstrated that appointing dealers without regard for the potential sales they could reasonably expect to achieve creates a high turnover of [fol. 386] dealers with all its attendant economic losses. During the years 1930 through 1933, more than 15,700 dealers in the automobile industry went out of business.

This was a drastic and painful way to shrink the number of dealers to a size more in keeping with the level of the sales potential. In addition, this attrition was haphazard and indiscriminate so that in some communities there were no dealers at all of a particular make and in others the dealers who were able to survive still faced slim prospects because their number, location and size were still above those required for the shrunken demand.

The high morality of dealers during the depression made it completely clear that carefully planning the number, location and size of dealerships would be meaningless unless it took into account the potential over a period of years—both high volume and low volume years. We could not expect dealers to make or maintain the substantial, long-term investments called for by this projection unless we could expect a sales potential capable of producing a reasonably satisfactory return, using a realistic "average [fol. 387] volume factor" over a period of years. One important advantage that the automobile industry has over most other retail businesses is its ability to know in detail and for any given area the number of car sales made each month by each make and model of car and the ages and total number of cars in operation of each make and model. These data are obtained from public records of motor vehicle registrations. An analysis of these registrations for the previous five or more years furnished a workable and reliable basis for predicting the average sales and service potential that could be expected to exist for the particular area. This expected average sales volume came to be known as the "planning potential."

During the depression years, Mr. Alfred P. Sloan, Jr., then President of General Motors Corporation, became increasingly concerned over the system under which General Motors dealers were being appointed and maintained. In a personal discussion with me in July 1933, Mr. Sloan stated that the right number of dealers of the right size, in the right locations, and implemented with a set of General Motors operating policies to make such an operation effective, was the only long-term answer. In this discussion, [fol. 388] he expressed to me his concern over the increasing need for a dealer service organization to take care of the mechanical needs of the products, particularly in view of

their increasing complexity which stressed the need for an effective service organization and for policies under which General Motors would stand by these products after they were in the hands of the customer.

Metropolitan areas presented the greatest problem. In late 1934, pilot surveys of metropolitan areas were undertaken to develop and perfect techniques for analyzing metropolitan areas throughout the country. At the same time, the viewpoints of representative General Motors dealers around the country were solicited through the formation of the General Motors Dealer Council. These early meetings with dealers were taking place immediately after the worst economic depression in the country's history and the dealers making up the Council represented those who had weathered the financial storm during those trying years. This experience and the past practices of automobile manufacturers in appointing dealers without a realistic appraisal of the sales potential that existed in the vicinity of the dealer's location had dampened the willingness of prospective dealers to invest the relatively large amount of [fol. 389] capital that was needed to operate a dealership. At the initial Dealer Council meetings, it was made clear that something must be done to improve the position and prospects of General Motors dealers, particularly dealers located in the large cities. This conclusion was confirmed by our own analyses which showed that the profit trends for dealers located in the cities having a population of 50,000 or more were by far the worst of any of the dealer groups which data were available.

In September 1935, it was decided to undertake careful field surveys in each of the cities having a population of 50,000 or more to determine the ideal number, size and location of dealers for each of the car and truck divisions—Cadillac, Buick, Oldsmobile, Pontiac, Chevrolet and General Motors Trucks. On completion of each survey, a meeting was held by General Motors executives and the executives of each of the individual divisions to review the survey and reach a so-called "Master Plan" for the number, location and size of the dealers for each of the divisions in that area. Thus the system that Chevrolet had developed for the appointment and location of dealers was extended to General Motors' other motor car and truck divisions.

[fol. 390] The quality of the metropolitan survey work which was undertaken beginning in 1935 represented a great advance from the type of survey made originally in Chevrolet in the 1920's. Permanent and specially-trained personnel were now assigned to this work. The team had available to them the whole body of dealer financial information extending over a long period of years with accompanying trends and analyses for each of the divisions. There was opportunity and time to do as complete a job as the local circumstances required. The making of these field surveys in the late 1930's was also more complex. The whole country was in the process of remaking its geography and the survey of a metropolitan area had to take into consideration the forward planning for the area and what effect it would have on the local dealer organization and each location from which the products of the divisions would be distributed. Each individual community located outside of the central city itself had to be studied to determine its relationship to the central city and other surrounding suburban communities.

Part of the concern expressed by dealers in the mid-thirties related to the past practices of appointing additional dealers or establishing new or additional locations for existing dealers without any advance notice to other dealers and without giving them an opportunity to be heard even though these appointments and new or additional locations might importantly affect their existing investments and future potential. The dealers argued that a person could not reasonably be expected to make or expand the heavy investment required for a particular location with the possibility that at any time additional dealer locations would suddenly be placed around him.

In 1939, a policy for metropolitan areas was incorporated in what became known as the Metropolitan Area Addendum to the Dealer Selling Agreement (Stipulation of Facts No. One, Ex. 7.1). Under this Addendum, executed by the division with each of its dealers located within a given metropolitan area, the division attached a schedule setting forth the maximum number of its dealer outlets for the particular metropolitan area, and the approximate geographical location of each. The Addendum provided that no changes would be made in this number or in any

of their geographical locations unless each of the dealers in the area was given at least 60 days' advance notice of [fol. 392] such contemplated action by the division. Under proper circumstances, a dealer could obtain a "stay of action" by filing a complaint with the newly established Dealer Relations Board. This "stay of action" would remain in effect until the matter was fully reviewed and finally decided by the Board.

The program to match dealers to the areas of sales and service potentials revealed by our surveys, undertaken in the metropolitan areas, could be effective only if there was control over the dealers' location of both their main and branch facilities. This is the reason for the selling agreement provision, which had its inception in 1940 specifically requiring the written consent of the car division before a dealer can establish any branch operations or move the location of any of his facilities. (Stipulation of Facts No. One, Ex. 3.2, p. 10) If dealers are free to set up branch operations or to move the location of their facilities as they please, then all of our careful study and planning can be defeated by the haphazard actions of individual dealers.

Almost from the time that Mr. Sloan became President of General Motors, in the 1920's, he made regular trips into [fol. 393] the field to visit General Motors dealers in their own places of business. He constantly sought first hand and frank information from dealers. For instance, he regularly had a personal representative reporting directly to him, whose function it was to travel into all parts of the country and exchange ideas and information with dealers. The inauguration of the General Motors Dealer Councils in 1934 represented an expansion of this activity and furnished a major and regular exchange of ideas and information between dealers and the top management of General Motors.

Another step toward giving dealers an adequate chance to be heard was taken in 1938 when Mr. Sloan organized the General Motors Dealer Relations Board consisting of the four top ranking officers of General Motors. Although this Board was intended to deal with matters of divisional administration of existing policies, it also served to promote sounder factor-dealer relationships by encouraging discussion between dealers and top management of the

soundness of existing distribution policies or the need for modifying them or even for the adoption of new policies. [fol. 394] In 1956, General Motors adopted the General Motors Dealer Relations Umpire Plan (Def. GM Ex. BV) which took the place of the Dealer Relations Board. The Umpire Plan provided for discussion between dealers and various levels of management of dealer complaints arising out of the relationship between the dealers and General Motors including, among other things, complaints with respect to the termination of or other actions taken under the Dealer Selling Agreement. The Umpire Plan provided that, if the dealer was not satisfied with the decision of management, he could appeal to the Dealer Relations Umpire, a retired Federal District Judge, whose decision would bind General Motors but would not bind the dealer, thus leaving the dealer free to seek legal redress if he were dissatisfied with the umpire's decision.

The occurrence of a second, although less severe, economic dip in 1937 and 1938 confirmed the soundness of the distribution system which General Motors was then seeking to develop. The essential principles of this program were that:

1. The maximum sales performance can best be achieved, with stability and equity by relating the number, size and location of dealers to the sales [fol. 395] and service potential in each individual area.
2. This objective requires a continuing scientific analysis of each community to maintain a "master plan" for that community which will lead to placing the right number of dealers, each of the right size and each in approximately the right location.
3. These objectives should be based on adequate data for an adequate period of time to allow for economic changes that continue to occur.

The start, in 1939, of World War II in Europe brought new and different problems. We anticipated that car production would be curtailed and developed plans for such a contingency. In the summer of 1941, restrictions were imposed and, in February 1942, production was suspended entirely. It was not resumed until October 1945. These

events created two major distribution problems: (a) maintaining a skeleton network of dealers in strategic locations; and (b) assuring the existence of sufficient facilities in these and other locations to provide the service necessary to keep the existing car population operating for the duration of the war. The suspension of car production [fol. 396] created strong unrest and concern among the existing dealers. Many feared the loss of their heavy investments without cars to sell. General Motors sought to have them continue to maintain active service facilities for the duration and appointed authorized service stations in areas where dealers were not available or went out of business.

The end of the war brought the need to rebuild the shrunken dealer organization under the greatly changed economic conditions that resulted from the war. Regular field surveys of metropolitan areas which had been carried on from 1935 to 1941 had been suspended during the war. By 1945, the recruiting and training of new survey teams was undertaken. There was one advantage that the post-war survey teams had over those that operated in the 1930's. They could make more sophisticated and refined studies because many more data were available to them. For instance, they were in a better position to assess each of the local new car markets; the physical facilities of the individual dealer; and the used car market in each individual area.

However, these studies involved a number of new elements that had not been encountered before. There were [fol. 397] the greater population shift and mobility generated by the war and the substantial inflation that had taken place. There were the pent-up demand for new cars and the expansion of the total demand for cars. There were the substantial changes in the make-up of metropolitan areas as a result of the great upsurge of suburban communities. The survey teams had to consider the short term and long term effects of all of these elements and how they would affect the eventual master plan for each metropolitan area. Another question that had to be resolved was whether the increased sales and service potential should be satisfied mainly through additional dealers or principally through expansion of existing dealers. The answer was affected by the increase in the amount and quality of the facilities and

equipment required for a dealership to operate and, with the substantial inflation, the much higher capital investment and operating costs that were called for by each dealer. The conclusion reached was that, where circumstances permitted, it was more efficient and economical and generally preferable to have the existing dealer expand his facilities and services than to add a dealer.

The making of these metropolitan area surveys has continued, except for the World War II period, for nearly 40 [fol. 398] years. The experience gained and the data accumulated over this period on each metropolitan area in the country are of great value. Today, a survey group consists of trained men from both the General Motors Sales Section and the division for which the survey is being made. Using Chevrolet as an example, even before going into the field, the survey team reviews and collects a great deal of statistical and economic information on the area and its Chevrolet dealers. For instance, it makes a detailed financial analysis on each dealer who has operated in the area during the previous ten years. It establishes both a "planning potential" for new cars and an "owner service potential" for the area, based on a detailed study of historical car registration data. It has available statistics developed over the years indicating the amount of customer labor and parts that the average owner of a 1, 2 or 3 year old car operating in the area will probably need. The survey team also reviews any special situations in the area which may affect any of the sales or service potential. The service phase of the study made of each dealership includes an analysis of the number of repair orders written over a period of years.

[fol. 399] The field portion of the survey is made by specially trained men from both the General Motors Sales Section and Chevrolet and includes personal visits to every Chevrolet dealership in the area, an inspection of all of the dealer's physical facilities, an analysis of his investment, the notation of any unusual aspects of the dealer's operations, and a meeting with the dealer himself. After all of the analysis and field work has been completed and analyzed, the survey team makes preliminary selections of prospective dealer locations, its evaluation of existing

dealer locations, and present and prospective growth areas within the entire metropolitan area. It also makes specific recommendations for the number, size and location of Chevrolet dealers. This ideal dealer set-up and the existing dealer organization are then compared and conclusions reached as to: (1) existing dealers who are in logical locations; (2) existing dealers who are in illogical locations; (3) new dealer locations that should be considered to attain the desired objectives; (4) existing dealership locations which should be eliminated; and (5) existing dealerships in logical locations whose facilities or performance do not appear to be adequate for those locations.

[fol. 400] The recommendations of the survey group are made completely independent of the Chevrolet field and Central Office personnel as well as of the General Motors Distribution Staff. When the survey group has completed its work, the survey and its recommendations are thoroughly discussed and reviewed by the local zone management, the regional management and the Central Office management of Chevrolet. At the same time, they are reviewed and discussed in detail by the General Motors Distribution Staff. The final step in the process is the reaching of an agreement between Chevrolet and the General Motors Distribution Staff. All of this process of review and discussion is involved before a final "master plan" is arrived at upon which Chevrolet may act in the particular metropolitan area as, for example, by establishing a new dealer location or by changing an existing dealer location or the like. In the interest of maximizing sales, General Motors makes a great effort to avoid the haphazard location of dealer outlets.

The goal in all of this is the achievement of what we call the General Motors Quality Dealer Program. By that term we mean the right number of dealers at the right places, all properly equipped with facilities and properly [fols. 401-402] staffed, each dealer to be a sound, capable businessman who sets high standards for himself in the conduct of his business, who maintains satisfactory sales and service performance, and who develops his sales and service potential. The Quality Dealer Program contemplates that the dealer shall have a sufficient sales potential

for a reasonable profit opportunity on a continuing basis so that he may conduct his business in accordance with that program.

Rudolph F. Schreitmueller.

Subscribed and sworn to before me this 16th day of June, 1964.

Edwin J. Dunn, Notary Public.

State of New York, No. 03-1046175, Qualified in Bronx County.

Certificate filed in New York County.

Commission Expires March 30, 1965.

[fol. 403] AFFIDAVIT OF TOM CARRELL

Tom Carrell, being first duly sworn, deposes and says:

I am now and at all times since 1959 have been a member of the California Legislature, being the Assemblyman representing the 41st Assembly District of California; that I am now Chairman of the Assembly Transportation & Commerce Committee, among others, and during the 1961 legislative session I was a member of the said Committee. This Committee has jurisdiction over legislation pertaining to transportation in general including motor vehicle legislation.

I am a duly authorized Chevrolet dealer in San Fernando, California, and have been a Chevrolet dealer since 1937; my dealership is known as Tom Carrell Chevrolet and was formerly known as Pollard Carrell Co. The dealership has been a member of Foothill Chevrolet Dealers Association at all times since the Association was organized.

In January, 1961, I introduced in the California Legislature Assembly Bill No. 417, which established a State Motor Vehicle Commission to regulate and license motor vehicle dealers and salesmen in order to prevent frauds, impositions and other abuses existing in the retailing of [fol. 404] motor vehicles. The Bill provided that an automobile dealer was required to have an established place of business with

"display area for the vehicles and accessories offered for sale and in the case of a dealer where new vehicles are sold, he must maintain parts and service facilities sufficient to perform the services to his purchaser as required by the new car warranty."

I have known Glenn S. Roberts for more than 20 years as attorney for Foothill Chevrolet Dealers Association and also as attorney for other automobile dealer associations; that in the latter part of March or early part of April, 1961, Martin Pollard, then President of Foothill Chevrolet Dealers Association and also Chairman of the Legislative Committee of the Southern California Motor Car Dealers Association told me that the three Chevrolet dealer associations in Southern California had retained Mr. Roberts to survey the selling of new automobiles through discount houses and that the information obtained would be available to me for submission to the Legislative Committee considering Assembly Bill No. 417.

From May 2 to May 6, 1961, a business conference and golf tournament of the Southern California Motor Car [fol. 405] Dealers Association was held in Palm Springs, California. On May 5, 1961, at this business conference and golf tournament I had a conference with Mr. Roberts who advised me that his survey disclosed that the retailing of new automobiles through discount houses was being carried on in many cases in violation of the law which required such dealers and their salesmen to hold a license and to display such license at the place of sale.

Mr. Roberts then stated to me that he had done legal research regarding filing suit for an injunction to prevent the selling of motor vehicles through discount houses in violation of the law but had reached no conclusions regarding such legal action. He also suggested that Assembly Bill No. 417 be amended to include a provision whereby a trade association of ten or more licensed motor vehicle dealers could maintain a suit for injunctive relief against violators of the provisions of the law.

I then told Mr. Roberts that Assembly Bill No. 417 would be presented to the Assembly Transportation & Commerce Committee or a sub-committee during that month, May, 1961. I requested him to attend the hearing of the Legis-

lative Sub-Committee to present information which he had obtained and to assist in securing favorable consideration of the Bill. I also requested that he supply me with a form [fol. 406] of amendment to the Bill as he had recommended.

Shortly after my meeting with Mr. Roberts in Palm Springs, he caused to be sent to me in Sacramento a proposed amendment to the Assembly Bill and the following is a true copy of such document:

"Amendment to Assembly Bill 417,
To add the following:

Section —: Injunction Against Prohibited Acts: Procedure:

Whenever any person, firm or corporation has engaged or is about to engage in any acts or transactions which constitute or will constitute an offense against this chapter, the Superior Court of any county, on application of the California Motor Vehicle Commission or of ten or more licensed motor vehicle dealers, or of an incorporated trade association of ten or more licensed motor vehicle dealers, may issue an injunction or other appropriate order restraining such conduct. Proceedings under this Section shall be governed by [fol. 407] Chapter 3 of Title 7, Part 2 of the Code of Civil Procedure, except that no undertaking shall be required in any action commenced by the said Commission.

Source: Section 2436 Business and Professions Code
Approved in: Complete Service Bureau v. San Diego County Medical Association (1954) 43 Cal 2d 201"

A hearing was held on May 24, 1961, in Sacramento by a Sub-committee of the Assembly Transportation & Commerce Committee to consider Assembly Bill No. 417. Mr. Roberts appeared at this Committee hearing in support of the Bill. The Sub-committee adopted the amendment proposed by Mr. Roberts which became Section 9333 of the Bill. The Sub-committee thereupon approved the Bill which was thereafter adopted by the Assembly in final form on June 3, 1961. Assembly Bill No. 417 was thereupon pre-

sented to the California State Senate where it was held for further consideration.

Tom Carrell.

Subscribed and sworn to before me this 4th day of May, 1964.

Francis H. Crowe, Notary Public in and for said County and State.

My Commission Expires October 21, 1967.

[fol. 407a]

[File endorsement omitted]

[fol. 408] APPENDIX C TO REPORTER'S TRANSCRIPT OF
PROCEEDINGS—Filed June 1, 1964

[fol. 409] AFFIDAVIT OF FRANK C. DYKEMAN

Frank C. Dykeman, being first duly sworn, deposes and says:

1. I am, and since 1957 have been, a partner in Price Waterhouse & Co., Certified Public Accountants, and have been, since that date, the partner in charge of the company's Management Advisory Services Department for the Pacific Coast. This department offers consultation and advice in the field of financial administration and regularly makes studies and analyses of business organizations in the course of performing such services.

In 1939, I received the degree of B.B.A. from the College of the City of New York, and was elected to the Beta Gamma Sigma scholastic honorary society in the business administration field. I have been a Certified Public Accountant in the following states since the dates indicated: New York (1946), Michigan (1952) and California (1957).

I joined the staff of Price Waterhouse & Co. in New York in 1941, and became a member of the Management Advisory Services Department in 1949. In 1957, upon admission as a partner in the firm, I was transferred to Los Angeles.

I am a member of the New York, Michigan and California Societies of Certified Public Accountants, of the American Institute of Public Accountants, of the American Management Association and of the National Association of Accountants. I am Chairman of the Management Services Committee of the California Society of Certified Public Accountants.

2. Price Waterhouse & Co. has made a study for the purpose of determining the answers to four questions. I was one of the partners who supervised, controlled and directed this study and have done, supervised or approved all aspects of the study. As a result of this study, I have reached the conclusions stated herein.

3. The four questions relate to the 1960 operations of Chevrolet dealers in the Los Angeles metropolitan area as

defined in Stipulation of Facts Number One, Ex. 4.2. These questions are:

- (a) Were the service and parts departments operated profitably or unprofitably?
- (b) What reduction in new car volume could have [fol. 411] been absorbed by low volume dealers (700 or less) before incurring an overall operating loss?
- (c) Assuming no reduction in new car volume, what reduction in new unit selling price could have been absorbed by low volume dealers (700 or less) before incurring an overall operating loss?
- (d) Did customers who purchased from a dealer through a discount or referral house pay higher or lower prices for Chevrolet passenger cars than ordinary retail customers who purchased directly from that dealer?

4. Our conclusion on Question (a) was that in 1960 the service and parts departments of the Chevrolet dealers in the Los Angeles metropolitan area operated at a substantial loss overall. This is summarized in Def. GM Ex. BA, a copy of which is attached hereto. It shows that the 76 Chevrolet dealers located in the Los Angeles metropolitan area had a median loss of \$14,100 in the operation of their service and parts departments. Of these, 53, or 70% of [fol. 412] such dealers, lost money in these departments. Their median loss was \$20,500. Of the 23 dealers who made a profit in 1960 in these departments, the median profit was \$11,900.

5. In answering Question (b) with respect to the ability of low volume Chevrolet dealers in the Los Angeles metropolitan area to absorb a reduction in new car volume without incurring an overall operating loss, we found that generally the smaller the dealership the smaller is the percentage reduction of his new car volume which can be absorbed before an overall loss results. Thus, as is set forth in Def. GM Ex. BB, a copy of which is attached hereto, our studies show that a 300 new car dealer would operate without any profit if his new car volume was reduced 12% or 36 units per year. Similarly, a 400 new car dealer would oper-

ate without any profit if his new car volume were reduced 17% or 68 units per year; a 500 new car dealer if his new car volume were reduced 33% or 165 units per year; a 600 new car dealer if his volume were reduced 21% or 126 units per year; and a 700 new car dealer if his volume were reduced 30% or 210 units per year.

6. Similarly, in our study of the ability of the low volume Chevrolet dealer to absorb a reduction in unit selling price at a constant volume of new car sales without incurring an overall operating loss (question (c)), we also found [fol. 413] that the smaller the dealer in terms of new car volume, the smaller is the reduction in unit selling price which can be absorbed before an overall loss results. Thus, as is set forth in Def. GM Ex. BC, a copy of which is attached hereto, based on a computed retail sales price of \$2,652 per car, our study shows that in the Los Angeles metropolitan area a 300 new car dealer would operate without any profit if his unit selling price were reduced 1% or \$27 per car. Similarly, a 400 new car dealer would operate without any profit if his unit selling price were reduced 1.4% or \$38 per car; a 500 new car dealer if his unit selling price were reduced 2.9% of \$77 per car; a 600 new car dealer if his unit selling price were reduced 1.8% or \$48 per car; and a 700 new car dealer if his selling price were reduced 2.6% or \$69 per car.

7. On Question (d), we found that there was no appreciable difference between the prices paid by customers who purchased Chevrolet passenger cars from a dealer through a discount house or referral service and the prices paid by ordinary retail customers who purchased directly from that dealer. Def. GM Ex. BD, a copy of which is attached hereto, lists the conclusions reached in our study of the prices paid for new current model Chevrolet passenger cars purchased in 1960 from each of the Chevrolet dealerships that did a statistically significant discount house or referral service business. This exhibit shows that [fol. 414] overall the customers buying directly paid a median markup of \$220 over dealer invoice, while the customers buying indirectly through discount houses or referral services paid a median markup of \$235 over dealer invoice. Four of the seven dealers involved sold their cars directly to their ordinary retail customers at median prices

which were lower than the median prices for the cars which they sold through their discount house or referral service outlets. The highest median gross profit difference among these four was \$28 and the lowest \$4. Of the other three, one had a difference in favor of the customer who bought through the discount house or referral service of \$11; one a difference of \$6; and the last a difference of \$1.

8. We derived the conclusions stated in paragraphs 4 through 7 of this affidavit from studies formulated and made by Price Waterhouse & Co. in accordance with generally accepted accounting principles and statistical methods. Paragraphs 9 through 12 of this affidavit describe the manner in which these studies were formulated and made and explain how each conclusion was derived.

9. The conclusion that the Chevrolet dealers operate their service and parts departments at a substantial loss was derived from an analysis of the 1960 financial statements [fol. 415] of each of the 76 dealers located in the Los Angeles metropolitan area. With the exception of the dealer's administrative overhead, the financial statements reflected the allocation of expenses among the various operating departments. Accordingly, the only allocation of expenses which we had to make was of the administrative overhead. This was allocated to the combined service and parts departments in the same proportion as other overhead expense had already been charged such combined departments. By reflecting the allocated administrative expenses in the departmental profit or loss shown on the financial statements, we were able to compute the profit or loss for the service and parts departments of each of the 76 dealerships. We then listed the figures obtained in order of size and determined the median loss. We next listed separately the 53 unprofitable and the 23 profitable dealers and determined, respectively, the median loss and profit for each group.

By the median loss, I mean that half of the dealers lost less and half lost more. By the median profit, I mean that half of the dealers made a greater profit and half made a smaller profit. When a few extremely large or small values occur among a group of values that are generally quite concentrated, the median is a far better method of determining the average than is the arithmetic mean. This is because

the arithmetic mean is disproportionately affected by extreme values and as a result creates an erroneous impression. Since the median is not so distorted, it is the single most representative and accurate measure of individual members of a group of values. For example, the arithmetic mean loss of the 53 unprofitable dealers is \$25,400, but this is not a representative figure because one dealer lost as much as \$131,600 and only 19 of the 53 dealers lost more than the arithmetic mean. 34 lost less. Therefore, it is more meaningful to represent the performance of the individuals comprising the group by using the median measure since it at once tells us both the fact that 26 dealers lost less than \$20,500 and 26 lost more as well as the fact that the concentration of values is close to this figure. Thus, a dealer who loses money in his service and parts operations has a 50-50 chance of losing less than \$20,500 and a 50-50 chance of losing more.

As stated in *Statistics: An Introduction to Quantitative Economic Research* by Daniel B. Suits, p. 33 (Rand McNally & Company, 1963), "The median takes as 'typical' the true middleclass item. It is the best average to use in evaluating the performance or status of individuals. The median incomes of two communities will give a better comparison of how individuals fare in the two places than can be had from the mean, which is influenced by extremes of wealth or poverty." Exhibit BE, a copy of which follows, portrays an example from another textbook which illustrates the reason why this is true.

[fol. 417] TAKEN FROM HIRSCH, INTRODUCTION TO MODERN
STATISTICS, p. 45

(The Macmillan Company, 1957)

EXHIBIT BE



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"Average annual income here's about \$12,000. There's fifty of us
clears \$2,000 and one fellow makes half a million"

In the example depicted the Average as determined by the MEDIAN is \$2,000 while the Average as determined by the ARITHMETIC MEAN is \$11,765.

[fol. 418] 10(a) Our conclusions concerning the volume reduction which could be absorbed by low volume Los Angeles metropolitan area Chevrolet dealers without incurring an overall operating loss are based upon a study divided into two distinct phases. The first phase involved a study of the 1960 financial statements of the entire group of 76 dealers to establish for each class of dealer by size grouping an estimate of their gross profit and expense items as well as profit before bonuses and income taxes.

The second phase involved a study of what might happen to each size class of low volume dealer based upon the 1960 financial results if volumes of new car sales were reduced and what volume reductions by size class would result in an approximate break-even position for the various classes of dealers.

(b) As to estimating gross profit and expense items by classes of dealers: There are three types of gross profits earned by dealers; (1) gross profit on new and used cars, (2) gross profit on parts and services and (3) miscellaneous net income. There are four types of expenses; (1) variable new and used car selling expenses, (2) semi-fixed new and used car selling expenses, (3) semi-fixed service and parts expenses and (4) fixed expenses. To portray each of these gross profits and expense items for each of the 76 dealers we prepared seven separate graphs with the vertical line (or Y axis) of the graph representing the [fol. 419] amount of the particular gross profit or expense and the horizontal line (or X axis) the number of new cars sold. First, the values of all 76 individual dealers were plotted to obtain the graphical relations and then, the regression line having been determined, the average values of dealers within a size classification were plotted on the final graph.

Attached as exhibits are copies of the graphs used in this study:

- (1) Combined gross profit for new and used car departments (GM Ex. BF).
- (2) Combined gross profit for service and parts departments (GM Ex. BG).
- (3) Net miscellaneous income of the entire dealership (GM Ex. BH).
- (4) Combined variable selling expenses for the new and used car departments (GM Ex. BI).
- (5) Combined semi-fixed expenses of the new and used car departments (GM Ex. BJ).
- [fol. 420] (6) Combined semi-fixed expenses of the service and parts departments (GM Ex. BK).
- (7) Total fixed expenses of the dealership (GM Ex. BL).

The first step in constructing each graph was to plot the the financial data of each of the 76 dealers on each graph and to average these data for dealers in similar classes by volumes of cars sold. The three largest dealers did not conform to a statistical pattern and for this reason their data were excluded from the graphs. This resulted in a number of points plotted on each graph. To give meaning to these points it is necessary to draw on each graph what is known in statistical terms as a regression line or line of best fit. In nontechnical language a line of best fit is the one line which best gives meaning and permits best interpretation of the points plotted on a graph. This line of best fit can be approximated by manually drawing on a judgment basis a line through the points on the graph or it can be computed mathematically by a statistical method known as the "least squares method." We used the "least squares method" in drawing the lines of best fit on the first six graphs and the judgment method on the seventh graph.

On graphs BF through BL, the gross profit or expense [fol. 421] for any volume of new car sales may be read directly from the regression line. It may also mathematically be derived by use of the linear regression equation, which is a more precise method. We used the linear regression equation.

These graphs were then used to prepare five tables, one each for dealers in the 300 (Def. GM Ex. BM), 400 (Def. GM Ex. BN), 500 (Def. GM Ex. BO), 600 (Def. GM Ex. BP) and 700 (Def. GM Ex. BQ) classes of new cars sold annually. Attached is a copy of each of those exhibits.

The purposes of these tables are to illustrate three conditions: (1) estimates of what each class of low volume dealers experienced during 1960 in realizing gross profits and incurring expenses shown in the first dollar column of each table, (2) estimates of what would likely occur in each class if volumes of new car sales decreased, and (3) estimates of the volume reduction at which the break-even point of each class of dealer would be reached.

(c) As noted above, the tables comprising Exhibits BM through BQ were prepared to illustrate the impact on profits before bonuses and income taxes of reductions in volumes of new cars sold. The first column of each table is taken directly from the respective points on the graphs

[fol. 422] which comprise Exhibits BF through BL. For example, on Exhibit BM, the table for the 300 unit class of car dealers, gross profit on the sale of new and used cars as plotted on Exhibit BF is \$113,800. The second amount is gross profit of the service and parts departments and is taken directly from Exhibit BG and so on. Each of the remaining amounts in the first column is taken, respectively, from the remaining graphs, Exhibits BG through BL.

The computations for the other columns of the tables comprising Exhibits BM through BQ illustrate the anticipated dollar effect on the various gross profit and expense items caused by reductions in new car sales. To develop these computations, it is necessary to understand what accountants generally refer to as gross profit and expense behavior. To anticipate gross profit and expense behavior each item of gross profit and expense is classified either as variable, semi-fixed, or fixed. The important distinction between these classes is concerned with the manner in which each item of gross profit or expense changes when volumes change.

Variable gross profit and expense items are the most responsive to volume change, for by definition they vary in proportion to volume changes.

Fixed expenses normally are the direct opposite, for [fol. 423] within ranges of volume changes these expenses remain constant.

Semi-fixed expenses are an intermediate type between variable and fixed items because a part of each semi-fixed expense changes with volume and a part remains constant as a fixed expense.

The seven gross profit and expense items graphed in Exhibits BF through BL were classified as follows in preparing the tables comprising Exhibits BM through BQ:

The seven gross profit and expense items graphed in Exhibits BF through BL were classified as follows in preparing the tables comprising Exhibits BM through BQ:

- (1) Gross profit on new and used cars as a variable item.
- (2) Gross profit on parts and service, by assumption, was held constant.
- (3) Miscellaneous net income as a variable item.

- (4) Variable selling expense as a variable item.
- (5) Semi-fixed new and used car expenses as a semi-variable item. Based upon our analysis of these expenses we estimated that 60% of these expenses should be considered as fixed with 40% as variable [fol. 424] able.
- (6) Semi-fixed service and parts expense, by assumption, was held constant in keeping with classification (2).
- (7) Fixed expenses were classified as fixed items which would not change within the range of volume changes covered by our study.

In general, where charts are drawn for gross profit and expense items it is possible to estimate the reduction in gross profits or expenses merely by reading from the charts the amount of gross profit or expense for the reduced volume level. This practice was followed for the variable items such as gross profit on new and used cars, miscellaneous net income, and variable selling expense. For example, Exhibit BF illustrates that gross profit for new and used car departments for sales of 300 cars annually is \$113,800. To compute the gross profit for new and used car departments for a 10% reduction in sales, we refer to the identical exhibit and read from the graph the gross profit for sales of 270 cars (300 minus 10% of 300) which is \$102,700.

Gross profits on parts and services and semi-fixed service [fol. 425] and parts expenses were held constant at the initial level of sales of the dealer on the assumption that reductions in new car sales would not affect the service and parts income or expenses. This assumption was made since a reduction in the new and used car volume of any particular dealer would not necessarily result in a decline in the number of new Chevrolets sold in his area nor would it necessarily affect the number of service outlets operating in his area.

Fixed expenses, as the classification implies, were held constant for the volume changes studied. The remaining expenses, semi-fixed new and used car expenses, could not be interpreted from the graph for volume changes for a rather unique and complex reason. These semi-fixed and fixed expenses are different for a dealer having a reduced

volume of a certain level than they are for a dealer having an initial volume of that level. This is so because the dealer having the larger initial volume makes certain fixed commitments on the assumption that his business would operate at that level. Once having made these commitments, he cannot quickly reduce them to coincide with what they might have been had he originally geared his operation to a lower volume.

To compute the effect of volume changes on semi-fixed new and used car expenses, a separate study of the behavior [fol. 426] pattern of these expenses for the dealers in the 300 to 700 category of annual sales was made. Based on this study it was our opinion that approximately 60% of these expenses generally could be classified as fixed and 40% as variable. To determine the effect of volume changes on this type of expense a rather simple mathematical procedure was applied as follows:

As illustrated on Exhibit BJ the semi-fixed expenses of the new and used car department for 300 car sales is \$48,900. The fixed portion is equal to $\$48,900 \times 60\%$ or \$29,340 while the variable portion is equal to \$48,900 less \$29,340 or \$19,560. At a 10% reduction in volume the variable portion is equal to the total variable amount (\$19,560) less 10% (\$1,956) or \$17,604. The sum of the fixed portion (\$29,340) and the variable portion (\$17,604) is \$46,944. This sum is posted to Exhibit BM in the column headed "10% reduction or 270 cars sold."

The figures for profit before bonuses and income taxes shown for the different volume levels on Exhibits BM through BQ were developed merely by subtracting the expense items from the gross profit items. These exhibits are the basis for our conclusion expressed in paragraph 5.

11. Our conclusions concerning the reductions in unit [fol. 427] selling prices which could be absorbed by low volume Los Angeles metropolitan area Chevrolet dealers without incurring an overall operating loss, like our conclusions concerning volume reductions, were derived from an analysis of the financial statements of the 76 dealers located in the area.

A reduction in the sales prices of new passenger cars has an effect upon three major items in the financial statements of the dealers: (1) total dollar retail sales of new

passenger cars, (2) commissions to car salesmen in the new car department and (3) the profit before bonuses and income taxes. All other items of the total income and expense statement are not significantly affected by reductions in sales prices of new passenger cars and for this reason can be excluded from consideration.

Our first step was to prepare a graph form, a copy of which is attached hereto as Def. GM Ex. BR, portraying the relationship existing in 1960 between new passenger car sales receipts and the number of new cars sold. As explained in paragraph 10, a line of best fit was drawn through these data for the 73 dealers and a regression equation was developed. The three largest dealers were excluded for the reasons stated in paragraph 10. A graph, a copy of which is attached hereto as Def. GM Ex. BS, was drawn to portray the relationship between sales commissions paid on new cars sold and the number of new cars sold. A line of best fit and a regression equation was also prepared for this table.

Our interpretations of these graphs and computations made to show the effects of price reductions are illustrated in Def. GM Ex. BT, a copy of which is attached hereto. On this exhibit a separate column reflects the anticipated results of price reductions for 300, 400, 500, 600 and 700 car dealers. The first and second lines of Exhibit BT showing retail sales and sales commissions are taken directly from the graphs, Exhibits BR and BS. The third line subtracts the expense of sales commissions from retail sales to arrive at what may be termed a net sales amount. The fourth line, profits before bonuses and income taxes, is taken directly from the first columns of Exhibits BM through BQ which were prepared as described in paragraph 10. It is this profit which must be eliminated before a dealer reaches his break-even point. This is accomplished by reducing the net sales amount by the amount of that profit.

By calculating the percentage of original net sales amount which this reduction represents we determined the percentage reduction in original sales receipts. The percentages so calculated for each volume class are listed in [fol. 429] the fifth line of Exhibit BT. It ranges from a 1% price reduction for dealers in the 300 volume class to a 2.6% price reduction for dealers in the 700 volume class,

except that in the case of the 500 car dealer it would be 2.9%.

Line 6 of Exhibit BT was prepared to express the percent reduction figures of line 5 in terms of the dollar price reductions per car. Based upon our examination of the financial statements of the 76 dealers we computed a representative retail sales price of new passenger cars of \$2,652. By applying the percentage figures of line 5 to this selling price of \$2,652 we computed the reductions per car in selling prices which would place each dealer in a break-even position. These amounts ranged from \$27 per car to \$77 per car as illustrated in Exhibit BC.

12. In reaching the conclusion that there was no appreciable difference between the prices paid by ordinary retail customers who purchased Chevrolets directly from the dealer and the prices paid by customers who purchased Chevrolets through discount-house and referral-service outlets, we first analyzed the 1960 sales invoices, purchase orders, sales contracts, sales journals and other records of the discount house and referral services listed in Paragraph 28 of "Stipulation of Facts Number One" which were [fol. 430] made available to Price Waterhouse & Co. in the manner set forth in Paragraph 36 of said stipulation. From those books and records we determined that only seven Chevrolet dealers sold automobiles through discount houses and referral services in a statistically significant volume during 1960. Moreover, the combined discount house and referral service volume of these seven dealers was 96% of the total. Thus, by studying the books and customer folders of these seven dealers in addition to the books and records of the discount houses, we were able to determine both the price paid by the purchasing customer for each new Chevrolet obtained through a discount house or referral service and the respective dealer invoice cost of the selling Chevrolet dealer. We were thereby able to calculate the markup paid by the customer on each transaction. This in turn provided the basis for comparing the markups paid by the customers who purchased through discount houses and referral services and the markups paid by the ordinary retail customers who purchased directly from the seven dealers. An IBM card was prepared for each new Chevrolet sold by each of the dealers in 1960. Every IBM card

which represented a sale of a 1959 model or of a 1960 model sold after the introduction of the 1961 model on October 7, 1960, was identified, was so marked and did not enter further into our study. In this way our study was limited to new current models Chevrolets. We also identified and eliminated all demonstrator sales. We then reviewed the [fol. 431] remaining sales with the dealer and other knowledgeable dealer personnel for the purpose of having them identify each direct sale made to a buyer whose status, position or purchasing power at the time gave that buyer a purchasing advantage with the respective dealer which ordinary retail customers did not have. This was done to insure that the markup paid on ordinary retail sales made directly by the dealer would not be underrated by reason of these generally low markup sales. Affidavits listing the sales so identified were made by the personnel involved, and on the basis of those affidavits each such sale was eliminated from our study.

The sales remaining were all either ordinary direct retail sales or sales through discount houses or referral services. However, several of the seven dealers sold some automobiles through discount houses or referral services other than those stipulated to be the ones involved in this case. Those transactions were also eliminated. This was done by our identification of such sales from the dealers' customer folders or by identification of such sales by affidavits of dealer personnel. Elimination of those sales left only ordinary direct retail sales and sales through stipulated discount houses and referral services. The latter group was identified by us through our study of the discount-house and referral-service books and records and of the dealers' customer folders. At one dealership this identification [fol. 432] was supplemented by the affidavits of dealership salesmen involved in such sales. We found that the stipulated discount house records were incomplete as to some transactions and had to eliminate them from our study because of insufficient data. The remaining IBM cards were marked with the dealer invoice cost for the car. In addition, each card was marked to show the model number and year of such automobile and the month during which it was sold to the customer. All of these data, excepting only the net selling price paid by customers pur-

chasing through discount houses (but not referral services), was obtained from the dealers' sales journals with adjustments in some instances from other journals. Each IBM card was marked with the page and line number of the sales journal from which such information was taken. The net selling price paid by customers who purchased through discount houses was taken from the books and records of the discount houses involved. The cards for both the sales through discount houses and referral services and the ordinary direct retail sales of each dealer were placed in an IBM machine and the markup over dealer invoice cost calculated on each transaction. The cards were then placed in a sorter which produced for each of the seven dealers the median markup paid in 1960 by customers purchasing from such dealer through discount houses and referral services and the median markup paid in 1960 by ordinary retail customers purchasing from each dealer directly. The [fol. 433] sorter next produced the median markup for those respective categories for all seven dealers as a whole. The individual and overall median markups so obtained form the basis of our conclusion concerning this part of our study and are the figures contained in Def. GM Ex. BD.

As stated in Paragraph 9, the median is the better measure of averages for comparison of the performance of individuals. Therefore, in this portion of the study comparing the performance of dealers selling directly to retail customers and the performance of dealers selling through discount houses, we have again used the median as the measure of averages.

Frank C. Dykeman.

Subscribed and sworn to before me this 2nd day of May, 1964.

Everett A. Gibbs, Notary Public in and for the State of California.

My Commission Expires July 1, 1965.

(Seal.)

[fol. 434] DEPOSITION OF FRANK C. DYKEMAN

Frank C. Dykeman, having been first duly sworn, deposed and testified as follows:

• • • • •

Cross-examination.

By Mr. Blecher:

• • • • •

[fol. 435] Q. Can you estimate for us, Mr. Dykeman, the total number of man hours that were used or consumed by all of the people who participated in preparing the various exhibits, apart from the lawyers? I am confining this to the Price Waterhouse people and the General Motors accounting people who assisted you, and any others who may have assisted you in that connection.

A. I can be rather specific in terms of answering as to the Price Waterhouse time. I would say it was approximately 15,000 man hours. I can be less specific on the General Motors time but I would say it probably would be quite close to that amount of time.

Q. In the course of your becoming familiar with the issues in the litigation, and some of the testimony, did you [fol. 436] become familiar with the people to whom those dealers selling through discount houses sold in terms of geographic distribution?

A. Yes. We analyzed the sales journals of seven dealers and we looked at the sales records of 12 discount houses. And just by looking at the names and addresses of the customers we had an idea of geographic distribution.

Q. What did you observe in that connection, Mr. Dykeman?

A. Well, we observed that people would essentially deal with dealers in their own locality. We found that a great part of the sales were made within a dealer's locality.

We were also quite surprised to find that a number of customers would travel substantial distances to referral houses in order to purchase a car and would go to nearby

discount houses. We were surprised with the mobility of customers.

Q. I want to make sure that I understand accurately what you said. Is it your testimony that you observed that as a general rule the persons who purchased directly from a dealer tended to buy from a dealer within the broad outlines of the neighborhood in which they lived?

A. Generally speaking, yes.

Q. And that you found in contrast to that, in the case of people purchasing cars from discount houses or referral [fols. 437-438] services, that they would sometimes travel great distances to make such a purchase?

A. Yes.

Q. Did you also observe in that context, Mr. Dykeman, whether or not those persons who purchased from some of the discount houses, for example the Chico Stores or the Consumers Mart of America, would be receiving a car delivered by a dealer some distance from the location of the discount store with whom the customer dealt?

A. Yes.

.

[fol. 439] Mr. Blecher:

Q. Page 21 of your affidavit, Mr. Dykeman, Paragraph 12, which begins at Line 17, you reach the conclusion with respect to the question which has been captioned (d), "... that there was no appreciable difference between the prices paid by ordinary retail customers who purchased Chevrolets directly from the dealer and the prices paid by customers who purchased Chevrolets through discount house and referral service outlets . . ." and then you go on to explain in some nature what you did. That isn't in fact the conclusion you reached, is it, Mr. Dykeman?

A. Yes.

Q. The conclusion you reached is in fact that there was no appreciable difference between the prices paid by ordinary retail customers who purchase Chevrolets directly from a dealer and the prices paid by customers who purchase Chevrolets through discount houses and referral service outlets from that same dealer. Doesn't that more accurately state the conclusion that you reached?

A. Yes. For this reason, for a bulk of these referral discount transactions, which were the referral transactions, the customer had to purchase from that dealer. He had no option. He had to purchase from one of the seven dealers that we studied. There was no option at all. He couldn't purchase from anybody else in the Los Angeles area except these dealers, these seven dealers that we studied.

Q. What you mean is that a customer who elected to buy through some of the discount houses or referral services, had in connection with the delivery of the car no option as to the dealer who would make delivery, or in your language who would make the sale. Is that what you mean?

A. I am not including discount houses in the answer. I am saying for referral houses this customer had to go to one of the seven dealers whom we studied. He had no other choice.

Q. So we can pin this down in the record, you mean if a man walked into a Fedco store and received a referral to Warren Biggs, if he was going to buy under this referral system via Fedco he would have to buy the car from Warren Biggs. That is what you mean.

A. Yes.

Q. What you did in making the conclusion that there was no appreciable difference in prices was to compare the price, the median price, paid by that customer via the referral with the price he would have paid to Warren Biggs had he gone there directly without the referral.

A. Right, yes.

Q. And you don't really mean that there is no appreciable difference in the prices paid by ordinary retail customers who purchase Chevrolets directly from the dealer and the prices paid by customers who purchase Chevrolets through discount house and referral service outlets in general, do you?

A. We mean that exactly. Because in general he could not buy through anybody else than these seven dealers.

Q. He could have bought from a dealer, couldn't he?

A. Not as a referral transaction, no.

Q. Let me ask you what basis you undertook to make a comparison showing the median price at which a person would buy a car from Warren Biggs under the referral

system from Fedco as contrasted with the price that he would have paid to Warren Biggs had he come in off the street without a referral? What was your basis for that, sir?

A. By analyzing the records of the discount houses we [fol. 442] found that these discount houses sold a number of cars. These sales were made through essentially seven dealers. We therefore examined the records of these seven dealers on an invoice-by-invoice basis, and much as the affidavit describes, we purified the sales data in order to get as comparable a series of situations as possible.

We compared the prices paid by a customer who purchased through Biggs on a referral transaction with the prices paid by regular customers of Biggs who came in through regular channels in order to determine whether the referral customer was receiving a price advantage over the regular customer.

Q. From the dealer from whom he bought under the referral system.

A. Yes. Because he had no alternative but to buy from the seven dealers that we studied.

Q. Now, stated conversely, what you really undertook to state here was that in the case of Warren Biggs and in his relationship with Fedco, he sold to those customers referred by Fedco at prices which were not appreciably different from the prices that he sold to regular customers who did not come from Fedco.

A. Right.

Q. But that is not the same, is it, Mr. Dykeman, in terms of statistical analyses as stating that the customer who [fol. 443] bought the car from Warren Biggs under the referral system did not in fact save money by such a purchase, is it?

A. It is stating the same thing, in my opinion.

Q. You were aware, on the basis of the information you previously testified to, that a good number of the people bought through a referral service traveled a great distance to purchase the car from the referral service dealer, have you not?

A. Yes.

Q. And you were aware, for example, that Warren Biggs

was dealing with two of the four Fedco stores in the Los Angeles area, were you not?

A. Yes.

Q. And you were aware of the locations of those stores with whom he was dealing?

A. Yes.

Q. What were those locations, Mr. Dykeman?

A. I haven't committed them to memory. They are listed in the stipulation.

Q. You knew that Warren Biggs was getting referrals, for example, from the Lakewood store?

A. Yes.

Q. And you know that as a resident of this area that Lakewood is a considerable distance from the location of Warren Biggs' showroom on Vermont Avenue near Hollywood?

[fol. 444] A. Yes.

Q. Let me ask you, Mr. Dykeman, whether or not you in fact undertook to conduct a study which showed what the median prices of dealers in the general vicinity of Lakewood were as compared with the prices that the referral service customers paid to Warren Biggs through Fedco?

A. No. There was no basis in our opinion for selecting Lakewood as a sample. There was absolutely no basis for selecting Lakewood.

Q. Weren't you aware of the fact that Warren Biggs had in substance said that he was selling cars on the referral service system to people who in the ordinary course of business would not have come to him for a car?

A. Yes.

Q. Then what significance is there to determine what they would have paid Warren Biggs had they come in off the street with what they paid to Warren Biggs via referral service when the testimony was that most of the people wouldn't have come to Warren Biggs off the street?

A. Well, in my opinion it is of great significance, because if you want to compare things you must compare like situations. And Warren Biggs was one of seven who sold in both manners.

And Lakewood, these other stores, other than the seven, they offered no opportunities at all for referral sales. So

[fol. 445] we couldn't go to those stores and compare how an individual made out via a referral sale versus a regular sale. It was a non-existent condition.

Q. But you thought it was an existent condition to compare what a man would have paid where ordinarily he wouldn't even have gone to purchase a car with what he actually paid in a given situation.

A. Yes. Because that is a fact.

Q. And you didn't undertake to study the situation that I hypothesized to you at all.

A. Mr. Blecher, you must realize this, to study these seven dealers took approximately 10,000 hours of time. This is the big part of that sum total of time that we referred to a while ago.

We would have liked to have studied the whole 76 to see what happened in the whole area, but the time requirements to purify all of these data so that you had a decent basis of comparison would have been staggering.

Then you search for another type of sample and you have no basis for any other type of sample than the seven dealers who operated in this manner, offering both referral sales and regular sales. Had you selected any other sample that sample could have been challenged.

Q. Do you see any difference at all, Mr. Dykeman, in saying on the one hand that Warren Biggs didn't sell to [fol. 446] the Fedco referred customers at any appreciable difference in price as compared with the prices he sold to regular customers, the difference between saying that on the one hand, and saying on the other hand that the customer who bought the car from Warren Biggs didn't save any money by comparison with the price he might have paid based on averages to dealers in his neighborhood from which he came?

A. No. That last part is a non-significant comparison, in my opinion, because he had no opportunity to do that.

Q. You are not seriously saying, Mr. Dykeman, that the man that bought the car from Warren Biggs through a Fedco referral did not have an opportunity and in fact did not shop and receive quotations from dealers in his immediate area.

A. Surely, he did that.

Q. Did it ever occur to you why it was that a fellow

would travel from Lakewood up to Hollywood, or roughly into Hollywood, to buy a car from Warren Biggs?

A. Yes. He thought he was getting a price advantage.

Q. Then why didn't you undertake to make some study demonstrating whether or not in fact he was operating under an illusion that he was making a price saving as compared with the study which you actually made?

A. Because again, Mr. Blecher, we had to pick a sample because of the tremendous amount of work that was involved in analyzing dealer records. Ten thousand man [fol. 447] hours of time is a significant job.

There was no reason for selecting Lakewood over any other area. We had to find a basis for selecting a sample. And there is no better basis than selecting as a sample those stores which operated in the two methods which we are comparing. This goes to the basis for your sample and it's a very logical basis.

Q. It is logical even though you recognize that the time you made it, Mr. Dykeman, that in the ordinary course of events the people who sold through discount houses to a customer would not have had any opportunity of selling to those customers without the benefit of the referral service business.

Mr. Mitchell: Now, wait a minute. You may go ahead.

Mr. Blecher: So that the question is clear in his mind, Mr. Leibovitz, would you please read it back to him.

(The reporter read the pending question.)

The witness: If I interpret your question asking if there were not a discount house certain people would not have gone to Biggs, for example?

Mr. Blecher:

Q. Correct.

A. That's right, I recognize that.

Q. Then how can you reach the conclusion that in general the fellow that purchased from Biggs through a discount house did not save any money at all or that there was no appreciable difference?

[fol. 448] A. The reason he would travel was that he was under the illusion of anticipated savings. Based on our

study he made no saving as compared with regular customers.

Q. Where do you get this idea, Mr. Dykeman, that people are running around under illusions that they are saving money?

A. All I did was study the facts here and that is what the facts indicate, Mr. Blecher. I don't know what people do or why they do it.

Q. Isn't it a fact that your study therefore does not establish, assuming that they are statistically sound, that the person who bought a car through any one of the seven discount house dealers did not in fact save money as compared with the dealers in the general vicinity of the area from which he came?

A. We did not study those other dealers.

Q. When you say you didn't study, isn't it a fact, Mr. Dykeman, that you made some form of statistical sampling to try to find out whether you could prove that fact?

A. No. Because what you must remember is that these seven dealers' records were not taken from the financial statements. They were taken from line-by-line analysis of these sales journals. And a lot of the information, if memory serves, maybe 35 or 40 per cent of the transactions were eliminated in this study. Therefore you can't go from [fol. 449] the financial statement to the result of the study and make a comparison because of the large number of eliminations. These eliminations are spelled out in Paragraph 12.

Q. What you are telling me is that it was too much work to make that type of comparison.

A. What I am saying is that we should—we had two choices, as I see it, either study the entire 76 and come up with some result, or a study, which in my opinion is the better study, of those dealers that offer both types of buying opportunities and see how customers made out.

Q. Let me invite your attention, if I can, Mr. Dykeman, to your Exhibit BD. Do you have any facts at all in your knowledge, told you by anyone, or acquired in any manner whatsoever, which would indicate that a person who bought a car from one of the discount houses with whom Citizens Chevrolet was doing business was not free to walk into

Warren Biggs Chevrolet and attempt to buy a car off the street from him?

A. He could do that.

Q. And if he in fact had bought a car from Warren Biggs the probability is that he would have fallen within the median used in preparing or arrived at in preparing this study, namely \$249 over dealer invoice. As a matter of statistics that would be true, wouldn't it?

A. That would be the better probability.

[fol. 450] Q. If he did that and he paid \$249 over dealer invoice to Warren Biggs but in fact purchased the car from a discount house through Citizens at a median price of \$223, that fellow would in fact have saved some money, wouldn't he?

A. Let's say on the basis of your hypothesis, I would imagine so, yes.

Q. On the basis of your own hypothesis you say he would have saved \$11 from Allen Gwynn, comparing the median gross profit under "regular" as compared with referral discount house; right?

A. Yes.

Q. And that assumes, does it not, that the fellow that bought from Gwynn via a discount house or referral service would have paid the median price of \$232 to Gwynn had he come in off the street?

A. Yes.

Q. And it is on that basis that you conclude that the customer purchasing through the discount house from Gwynn would have on the average saved \$11.

A. Well, we conclude from factual analysis, and you are raising a lot of hypothesis. You can take any hypothesis. These are factual analyses, and all we are saying, Mr. Blecher, is this, that the fellow who came in off the street and bought from Biggs stood the best chance of paying \$249 markup. The fellow that was referred to Biggs on a [fols. 451-453] referral sale stood the best chance of paying a markup of \$254. We are not hypothesizing anything because this is the result of an intensive study.

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[fol. 454] Mr. Blecher:

Q. In short, Mr. Dykeman, in order to make any comparison as to whether or not a fellow who bought through [fol. 455] a discount house saved any money you have to assume what he would have paid at another dealer had he gone through a discount house, don't you?

A. Well, not necessarily. You have to compare what his alternatives are. And for discount sales he has more alternatives than referral sales. So his alternative would be a discount house or any other dealer.

Q. And you would agree, would you not, Mr. Dykeman, that such a comparison would be meaningful, would it not, in determining whether or not a fellow, for example, from Orange County who bought a car from a CMA store through Citizens would have saved money in buying in the manner that he did?

A. I would think that you would have to then take the entire 76 dealers and make a study for all 76 dealers. If you selected any one dealer or any group of dealers it could be questioned completely, on what basis did you select them. You would have no basis at all. You either have to take—To answer that question you would have to take the entire 76 dealers.

Q. In order to make it totally accurate.

A. Yes. And not be subject to criticism for the sample that you selected.

Q. But you did observe statistically that most of the people that bought a car through a dealer, as opposed to dealing with any form of referral service, bought the car in [fol. 456] proximity to their home, that is from a dealer in proximity to their home.

A. Yes.

Q. So the fellow who lives out in Orange County would be likely to have bought a car from a dealer in Orange County, barring the discount house.

Mr. Mitchell: I object to that on the ground that this witness is not qualified to say where a man would likely buy. As a matter of fact the evidence shows that Biggs, for example, sells all over the place. This man is not qualified to say where Biggs' customers come from or where anybody else's do.

Mr. Blecher:

Q. From an examination of the underlying documents, Mr. Dykeman, you observed, did you not, that most of the Orange County dealers who were selling to people were selling to people in Orange County in large measure.

A. Yes, in large measure they were.

Q. Can't you conclude on that basis, Mr. Dykeman, that many of the people in Orange County buy a car from an Orange County dealer?

A. Many do, but many travel. We were quite surprised with the number that would travel.

Q. Travel in buying direct or through a discount house?

A. In both ways, yes. We found that a location certainly has value. There is convenience in location. But we were surprised to see that people will travel, will shop an area.

[fol. 457] Q. Trusting to my arithmetic, and subject to correction by your counsel, Mr. Dykeman, let me ask that the reporter mark the Cone Bros. Financial Statement as Exhibit 211 for Identification.

(The document referred to was marked by the notary public as Plaintiff's Exhibit 211 for Identification and was returned to counsel for the plaintiff.)

Mr. Blecher:

Q. Let me show you the Cone Bros. Financial Statement, of Anaheim, which the reporter has marked Plaintiff's Exhibit 211, and I direct your attention to Page 4. Using my arithmetic, subject to correction by your counsel, if you compute the average gross profit on Cone Bros. Chevrolet from Line 12 of Page 4 you would arrive at an amount of \$355.89. That figure would not be wholly accurate, would it, Mr. Dykeman, as a figure because there are certain additions and deductions that should be made from that.

A. In my opinion it would be quite insignificant.

Q. I thought earlier you said it would be a meaningful measure.

A. No. I said it would have a little value. It would give you just what you said, according to the financial statements, the gross profit per car is so much. It would have that meaning.

But I must make one thing clear. Exhibit BD does not

[fol. 458] show you how the dealer made out, it shows how the individual made out. And there is a tremendous difference between how a dealer made out and how an individual made out. And this difference can best be explained perhaps by referring to a sale made of a Corvair.

Now, if a customer purchased a Corvair on April 30 and paid, just to take a rough figure, \$2600, and another customer purchased the same car the next day and paid the same amount, each customer would have made the same deal. But because of an incentive plan that came into being on May 1 the dealer made a different gross profit on those sales.

As far as BD is concerned it analyzes how customers made out. And we cannot go from the financial to BD because Schedule BD excludes fleet sales, it excludes non-arm length transactions, it excludes a great deal of transactions that are incorporated in the financial statement.

So my answer is that it has no significance in terms of relating that figure to the conclusions we reached on BD.

Q. You don't really mean that it has no significance. What you mean is that the significance is affected by certain computations made for the purpose of preparing Exhibit BD that are not reflected on the financial statement.

Mr. Mitchell: Wait a minute. I object to that upon the ground that it assumes a statement of the witness that he didn't make. He didn't say it had no significance, he said it had no significance with relation to the figures and the [fol. 459] results shown on BD.

Mr. Blecher: That is what I mean, Mr. Mitchell. Let me rephrase it.

Q. You don't mean, Mr. Dykeman, that it has absolutely no significance in comparing the average gross profit on the financial statement by dividing gross profit by number of new units sold in relation to Exhibit BD. What you mean is that they are not really on a par and that some adjustments would have to be made to bring it on a par.

A. And for that reason in my opinion it has no significance.

Q. Approximately what would be the range of the adjustment that would have to be made to the financial statement?

A. You can't make a generalization on that. It varies. It varies completely dealer by dealer. And we just wouldn't

know for Cone Bros., for example, because we did not make this study.

Q. But you did make that sort of a study on the basis of the seven dealers used in Exhibit BD, didn't you?

A. Yes.

Q. You computed the average gross profit from the financial statement and compared it with the median used in the column on the right-hand side for regular sales?

[fol. 460] A. We didn't do that. It has no significance here.

Q. But you did it just as a matter of informational interest to see how they compared, didn't you?

A. We did that in the volume studies. We were looking at gross profits of new and used cars dealers. It had no significance on this Question (d).

Mr. Mitchell: Question (d)?

The Witness: Question (d), or Exhibit BD.

Mr. Blecher:

Q. Let me ask you this. You have a column on Exhibit BD that shows regular price for median price to dealers, do you not?

A. This here column.

Q. Right. Did you attempt to make any study which compared the prices in that column with the prices which would have been reflected by dividing gross profit by number of new units sold on the financial statement?

A. No.

Q. But you did compute the average gross profit as reflected by the financial statement with some figure at some stage, did you not?

A. We really went down to the new car department for volume.

Q. What did that reflect in relation to your study?

A. Nothing for this study.

Q. It reflected something in relation to your other study?

[fol. 461] A. Well, a volume study would merely be a point on the graph which we plotted.

Q. Is it your testimony here that you wouldn't have any idea as to the maximum range of the adjustment that would be necessary one way or the other to bring the

figures which would be derived by dividing the gross profit by number of units sold on Line 12 of the financial statement into line with your figures with the regular column on BD?

A. Yes.

Q. You don't have any way of doing that?

A. No.

Q. Again subject to correction, I worked that out, Mr. Dykeman, and let me read down the column to you and see whether or not you can draw any observations from that. The Biggs figure rounded off would be \$268, the Bruder figure—all of these rounded off—would be \$222.

Mr. Mitchell: What are you reading from now?

Mr. Blecher: I am reading from some notes on my copy of the exhibit.

Q. A statement as to what the average gross profit would be based on Line 12 of Page 4 of the financial statement. Citizens would be \$168, Courtesy would be \$200, Gwynn would be \$232, Porter would be \$236, West Adams would be \$232.

Mr. Mitchell: Will you give me Mr. Blecher's testimony? [fol. 462] (The reporter read the record as requested.)

Mr. Blecher:

Q. You note some variations in each case except Gwynn, which happens to work out to be identical.

A. It is interesting.

Q. Those variations are accounted for by a number of factors, are they not, Mr. Dykeman, namely one would be incentive plan payments which would reduce the dealer's cost and increase his gross profit; correct?

A. Yes.

Q. Others would be special circumstances sales or what you described as less than arm's length transactions which would have the effect of decreasing the dealer's gross profit.

A. Yes.

Q. And others would be fleet sales which are ordinarily sold at prices under the ordinary retail sales, which have the effect of pulling down the dealer's gross profit.

A. Yes.

Q. If you accumulate all these factors, and perhaps some other ones, you would be able to work out statistically, as you have done, what the dealer's median gross profit would have been, or the price paid by the customer would have been, as you did on Exhibit BD.

A. That would have been a tremendous oversimplification, because when we made these individual dealer studies we found some, for example, would have a 40 per cent fleet sale situation, others would have a 10 per cent fleet or a [fol. 463] non-arm's length transaction.

We also noted some dealers would make accounting adjustments to their records which referred to situations of the prior year. For some reason or other by not making a correct accounting entry in '59 they suddenly realized that they had made this error and corrected it in 1960. This accounting error would find its way in the financial statement but would have no impact on BD, the study which was developed from the customer's standpoint.

So you have so great a range of possibilities of change and inconsistencies between the two that anything like that would be a tremendous oversimplification, would not be accurate and would not be realistic.

Q. I realize it wouldn't be accurate, Mr. Dykeman.

A. Or helpful.

Q. But would you take a look down the two columns, the one I have just read to you, and which you have inserted on your exhibit, and the ones which were printed in the exhibit, and tell me whether or not on the basis of simply looking at these you can determine whether or not the adjustment that would be required in most cases would be relatively insignificant.

A. My first observation is that your penciled figures go both ways. Sometimes they raise the price—they raise the [fol. 464] median and sometimes they lower it. Now, which way do you go?

Q. Either way. Except in the case of Citizens where my computation lowered his price by \$27, none of the others vary more than a few dollars.

A. No. Biggs is —.

Q. Biggs is 18 higher, Citizens is 27 lower under my

computations, and the rest of the range is within \$9, is it not?

A. Yes.

Q. Courtesy is substantially lower.

A. Courtesy is \$23 difference.

Q. Would you say that on the basis of this simple observation that the adjustment, let us say, would in no case exceed \$40 on the low side?

A. You just can't say that.

Q. You think it would be as much as \$100 lower.

A. It could be any amount. Any reasonable amount.

Q. What would you say is a reasonable amount on the basis of what we have done in the case of these seven dealers?

A. I would just be guessing. I just don't know, to be truthful.

Q. Mr. Cone's gross profit computed on the basis of Line 12 of Page 4 of Exhibit 211 works out to be \$355.89. Mr. Dykeman, as you sit here now and as you compare the last column on the right-hand side, referral house column, and assuming any reasonable adjustment you want to [fol. 465] make, isn't it fair to conclude that a fellow that purchased a car from Citizens at an Orange County discount house at the median price of \$223 was saving money as compared with Cone?

A. We would have to purify the data of Cone in exactly the same way that we purified the data for these seven to come up with any conclusion. We did not do that. And this represents what happened to the dealer, this is what happened to the customer.

Mr. Mitchell: When you said "this" the first time, you referred to the Cone Bros. Financial Statement.

The Witness: Yes.

Mr. Mitchell: When you said "this" the second time you referred to Exhibit BD.

The Witness: Right.

The financial statement and Exhibit BD represent two entirely different situations that can only be made comparable, in my opinion, by a detailed investigation as we did for these seven.

Mr. Blecher:

Q. In answering my question, then, you would have to say that it is conceivable in your mind that an adjustment of Cone from \$355 down to \$223, or somewhere in the neighborhood of \$132, would be possible if you made such a refinement?

A. It might be. There might be an accounting adjustment in Cone's records that would account for a substantial [fol. 466] sum of money. I just don't know.

Q. And you didn't undertake to try to find out.

A. Again we had these two alternatives, either study the 76 or study what we felt was an intelligently selected sample. And we couldn't study the 76 because of the tremendous amount of time required.

Q. Do you know now, Mr. Dykeman, whether or not the fellow that purchased from a discount house from Citizen at a discount house located in Orange County saved any money whatever as compared with what he would have paid on the basis of such a refined study that would have been made in Cone Bros. in Anaheim?

A. We just don't know.

Q. The answer to that question would be the same if I substituted for Cone Bros. some of the other 69 dealers in the Los Angeles area?

A. That's right.

Q. You just don't know.

A. That's right.

Q. But you did know when you made these studies that people came long distances from their residences to buy a car through a discount house or referral service.

A. Yes.

Q. You knew, for example, that people were coming in [fol. 467] from San Bernardino, which is 60 miles, down to Warren Biggs to buy cars, didn't you?

A. Yes.

Q. Did you ever try to find out what the median would have been, regular sales, for dealers in the San Bernardino area?

A. No.

Q. Your study was confined, was it not, to models which were current during the year 1960, that is more specifically

1960 models sold up until October 7, 1960 and thereafter for 1961 models sold through December 31?

A. Yes.

Q. Why did you eliminate the non-current models, Mr. Dykeman.

A. We eliminated the non-current models because we felt that was the equivalent to buying at an advantage. It gave the buyer an advantage. It was not a good mode of comparing between a discount house, referral sales and ordinary regular sales.

Q. Who suggested that elimination?

A. Ourselves.

Q. Did you start out to make any study on non-current models?

A. No.

Q. You just arbitrarily decided at the beginning of the [fol. 468] study to eliminate all non-current models?

A. As the criminal trial progressed points were brought into evidence showing the advisability of eliminating such items. And we followed the trend of thinking resulting from the criminal trial.

And if memory serves, that was one of the basic reasons. The criminal trial made somewhat apparent that the data should be purified and we followed that concept of purifying data. We sat back and analyzed what data should be purified and these were the things that we decided should be purified.

Q. At any time did you observe or were you informed, Mr. Dykeman, that the discount house referral service dealers in fact were selling few, if any, non-current models during a current model year? That is to say that after the introduction of the 1961 models in October of 1960 that the discount house customers weren't buying any 1960 models through the discount houses?

A. That was one reason for the purification.

Q. Did it ever occur to you why that was the case?

A. No. We found it to be a fact.

Q. Just an observable fact and you didn't bother to do anything further about it.

A. Right.

Q. Did you make any more refined comparisons dealing with the 1960 model sold up through October 7, 1960 and

[fol. 469] the '61 model sold thereafter, did you bring those down and try to make any separate study?

A. No.

Q. You were aware, were you not, that such a study was made and put in evidence during the criminal trial?

A. Yes.

Q. You were aware of the fact that it showed in the case of the criminal trial a result which was unfavorable to General Motors.

A. It didn't bother us because we were essentially concerned with taking a full year's transactions in order to express our opinion—our conclusion on how a customer made out during 1960, and this was the best basis of information to answer that question.

Q. The question is: Did you know whether or not the result offered in the criminal trial was adverse to the conclusions sought to be offered by General Motors?

A. We didn't pay any attention to it.

Q. And you didn't think that there would be any value in making a separate study of 1960 models sold in 1960 and 1961 models sold in 1960?

A. Yes.

Q. Your answer is that you didn't think that would have any value.

[fol. 470] A. We didn't think that would have any value because we wanted to take a full calendar year of operations.

Q. Did you observe any tendency in the course of this study for prices to be higher to the customer, Mr. Dykeman, in regular sales during the early months of the introduction of the new model, that is, let's say, from October through December 1960? Did you observe that the gross profits or selling prices were higher?

A. From this massive data that appeared as though it might be true.

Q. And did you think that there was any value in making the comparison for that time period when average gross profits or selling prices appeared to be higher, regular versus discount house?

A. No. Because there is no reason for picking any period. We tried to get an entire calendar year of operation.

Mr. Blecher: I will ask the reporter to mark this book as Plaintiff's Exhibit 212 for Identification. It is a volume of loose-leaf pages which has the cover caption "Prepared By Statistical Tabulating Corporation."

(The booklet referred to was marked by the notary public as Plaintiff's Exhibit 212 for Identification, and was returned to counsel for the plaintiff.)

Mr. Blecher:

Q. Can you identify what that book is, Mr. Dykeman? [fol. 471] A. Yes. This is the listing of all of the individual customer sales included in our Exhibit BD. It includes sales of the seven dealers referred to in Exhibit BD.

Q. And the first page of this book is a sort of code page explaining what some of the symbols on the other pages mean; is that correct?

A. Yes, sir.

Q. And that is pretty well self-explanatory.

A. Yes.

Q. Let me refer you to the page which follows Page 40 in this book, and which was captioned "Summary Table Dealer Biggs." Over on the right-hand side there is "Averages." And under one caption there is the heading "Median Markup," which is the column you used in the preparation of Exhibit BD, is it not?

A. Yes, sir.

Q. And over in the other column there is a column headed "Arithmetic Mean Markup."

A. Yes, sir.

Q. The arithmetic mean markup contrasted to median markup shows a balance in favor of the discount house.

A. Yes, sir.

Q. Why did you choose to use the median markup method?

A. The median is a more representative method of showing what happens to the individual customer. It is more [fol. 472] representative for this reason. The arithmetic mean is merely a summation of all values divided by the number of values. It includes extremes at the low end and it excludes at the high end. It averages all values.

Mr. Mitchell: Did you say "excludes"?

The Witness: It includes extremes at the low end and includes extremes at the high end. It includes everything.

Where there are undue extremes, where there are more extremes on the high side than the low side, or where there are extremes only on the high side and no extremes on the low side the arithmetic means gives an unrepresentative picture of the massive data that you are trying to characterize.

When we made our study of these non-arm's length transactions, or transactions through regular dealers, we excluded all of the low sales, all of the non-arm length sales. Therefore in the dealer records we have extremes on the high side and very few on the low side.

The arithmetic mean, when computed from the dealers' records, gives undue importance to those extremes.

The median is an average also but it is an average of position. And what the median says is that 50 per cent of the customers made out better and 50 per cent made out poorer. In our opinion it is a better description of how customers made out through regular dealers.

[fol. 473] Now, you will notice that in analyzing dealer sales through discount houses the arithmetic mean and the median are a lot closer than they are in analyzing sales through regular dealerships. The reason they are a lot closer is that we have not eliminated any items from the discount-referral house sales. We have extremes on the low side, extremes on the high side. And when you have a situation like that the arithmetic mean tends to approach the median.

In our opinion the median is far more representative than the arithmetic mean.

Mr. Blecher:

Q. Would you do me a favor, subject to the approval of your counsel, and make a note on your working copy of Exhibit BD of these differences as we proceed.

In Biggs, the column "Regular" would be 264, the column "Discount House" would be 252. I take it the explanation you gave us would be true in the case of each dealer for whom there is such a summary table, all seven dealers, in fact.

A. Yes, sir.

Q. In the case of Bruder the figure would be——

Mr. Mitchell: Just a minute. Your statement is now over with. You were going to ask a question. You made a statement, I take it. That is your testimony. Now you are going to ask a question, I take it.

Mr. Blecher: I don't recall making a statement, Mr. [fol. 474] Mitchell. I asked him if his testimony would be the same if he talked about all the other seven dealers.

Mr. Mitchell: Let us have another question and then we don't have your statement.

Mr. Blecher:

Q. For the record, then, the arithmetic mean average concerning Bruder Chevrolet would be \$254 regular sales and \$244 discount house sales. And that again shows, would it not, Mr. Dykeman, a slight balance in favor of the discount house as compared with your original study based on the median?

A. Yes.

Mr. Rosiello: Did you mean Bruder?

Mr. Blecher: Yes. That is what I said.

Q. Turning to Citizens Chevrolet the arithmetic mean figures would be 201 for regular sales and 223 for discount houses. And that would show a balance in favor of Citizens but less of a balance than your original study based on the median.

A. Yes.

Q. In other words, the use of the arithmetic mean in the case of Citizens would be more favorable to the discount house transactions than your use of the median; is that correct?

A. Yes.

Q. We will turn to Courtesy. Your arithmetic mean in [fol. 475] the case of Courtesy would show \$253 for regular sales and \$231 for discount house sales. And that would show a balance in favor of the discount house sales in contrast to your median study which shows a balance in favor of the regular sales.

A. That's right.

Q. Then we will go to Gwynn. His summary shows an arithmetic mean average for regular sales of \$246 as against \$220 for discount house sales. And that shows a balance in favor of the discount house as compared with your median study showing the balance in favor of the discount house but in a lesser amount; is that correct?

A. Yes.

Q. And then we go to Ernie Porter. And his summary tables shows an arithmetic mean for regular sales of \$239 and a discount house mean of \$212. That shows a balance more heavily in favor of the discount house than the original balance reflected by your median study.

A. Yes.

Q. And West Adams Chevrolet, your arithmetic mean for regular sales is \$241 and the discount house is \$222. That shows a balance more heavily in favor of the discount house as compared with your original study based on the mean, does it not?

A. Yes.

Q. Observing the differences, Mr. Dykeman, between the [fol. 476] mean of the discount house sales and the median of the discount house sales in that column we find that there is a much smaller rate of variation, much smaller degree of variation in those sales than when we compare like figures in the regular column.

A. Yes.

Q. And that is due, you say, because of the elimination of the special circumstance sales.

A. Yes. We purified the data on the regular sales, eliminating many of the sales which were very low in markup because of non-arm's length transactions, demonstrator cars, et cetera. But we did not eliminate any of the sales to customers at high markup. We included all of those.

Q. In making the elimination or purification for the purpose of your study BD what you attempted to do, Mr. Dykeman, was to put all of the sales study on a comparable basis, did you not?

A. Yes.

Q. And in doing that you had to eliminate fleet buyers who, by reason of their purchase and volume, normally get a price advantage.

A. Yes.

Q. And it wouldn't be fair, would it, to compare prices at which a fleet customer paid with prices which an ordinary person paid?

[fol. 477] A. That was the reason for the elimination.

Q. And it wouldn't be fair, would it, to consider in making a statistical analysis of the sort undertaken in Exhibit BD to include sales made by a dealer to his wife, or to his relatives or to his employees, where there is little, if any, profit to the dealer.

A. That is why we eliminated those, yes.

Q. So what you wound up with in Exhibit BD is comparing wholly the same thing, namely ordinary people buying at arm's length, in one case through a discount house and in another case directly from the dealer.

A. No, not necessarily. Because we felt there would be reason to eliminate some of the high sales. There are certain high sales in there such as an attorney of the dealer buying through the dealer who is rendering service to the dealers. There are non-arm's length transactions like that on the high side that we, with the same type logic, eliminated sales to friends, to employees or to relatives, could have been eliminated on the high side because of reciprocal types of operations. I will buy a car from you, you take my service as an attorney or an accountant or a plumber, or what have you. We did not eliminate those sales although we could have found valid reasons for eliminating a number of that kind of sales.

Q. How many could you have found basis for?

A. We didn't study it.

[fol. 478] Q. The fact of the matter remains that in each case the variants between the study made on the basis of arithmetic mean as compared with median is evidence of the fact that there were many sales made by the dealers at relatively high prices in the regular channel of distribution whereas there were very few, if any, such sales made by the dealer in their discount house method of distribution.

A. There could be few high priced sales that would distort an average, not many. There were some.

Q. Did you undertake to make a study of those?

A. No.

Q. Subject to correction by your counsel, or by yourself, Mr. Dykeman, if you are called upon to sign this deposition,

we have undertaken to make such analysis. And in the case of Warren Biggs we find with respect to sales made to purchasers over \$400 that there were 58 such sales in this regular channel distribution and only two to the Fedco customers. Can you draw any conclusion from that?

A. Only that there might be a number of people who deal with the dealer through other channels, reciprocal services and some people are not price conscious. That would be a conclusion that I could draw.

Q. In the case of Bruder we found that of the 600 cars sold in the regular channel of distribution that 74 had a price of \$400 or more above the dealers cost and that there were no such transactions in respect to cars he sold to [fol. 479] Fedco customers. Do you draw any conclusion on the basis of those figures, subject to correction?

A. The same as previously stated.

Q. Wouldn't it be fair to conclude on the basis of those observations, Mr. Dykeman, that the discount house dealer sales made through discount houses had the effect of insulating the customer against paying excessively high prices?

A. All I could say is that the discount had a narrow range—a narrower range than the dealers. And that there were certain people buying from dealers who paid a higher markup than would have paid through discount houses.

Q. Assuming these figures that I have given you to be accurate, wouldn't it be fair to say that the discount house purchaser was in less danger of paying a high markup?

A. Well, I don't know that I would call a reciprocal-type trade a dangerous trade. There are good business reasons for paying a high price. And furthermore many people may pay a high price to get better service, better maintenance and repairwork, better dealer association. This is not a danger that you are speaking of, this could well be a logical conclusion by a customer to pay a price that would give him priority in terms of his dealing with the dealer.

Q. Something that the customer would voluntarily do?

A. Some advantage that he is getting for it.

[fol. 480] Q. What advantage might he get that you are aware of?

A. I am just hypothesizing now. I just don't know.

Q. In other words, you are saying that my conclusion that I have suggested to you is not valid.

A. Is not valid, yes.

Q. And that there are good and sound reasons why people would want to pay \$400 or more.

A. Yes.

Q. Or in the case of one fellow with Bruder he would pay over \$1,000 over the dealer cost?

A. I don't know that.

Q. And you don't think it is just as a matter of statistical analysis removed from any of the subjective dealings that may have taken place in some of these instances that it is fair to include that the discount house purchaser was insulated against paying a higher gross markup than the regular purchaser was?

A. No. Because I have no way of putting a value on these reciprocal deals and the extra service that these people would get.

Q. That they may have gotten but that you don't know about?

A. That I don't know about.

Q. And you don't know about how many reciprocal deals there may have been?

[fol. 481] A. Right.

Q. There may have been one or five.

A. We did not study the reciprocal deals.

Q. I am going to ask you if you will take a look at your study BD. In this study you don't find any instance at all, do you, Mr. Dykeman, where the saving purportedly reflected by this study BD to a discount purchased exceeds \$11. That is the case of Gwynn where a discount purchased median is \$221 and the regular median is \$232.

A. That is right, yes.

Q. I am talking only about the balance in favor of the discount house was never more than \$11.

A. Yes.

Q. Now, if you take a look at Exhibit BC, Mr. Dykeman, that exhibit purports to show on the basis of other studies that we will discuss that a minimum price reduction of \$27 in the lowest group of dealers would be necessary in order for a dealer to arrive at the break-even point; is that correct?

A. Yes.

Q. And we have now concluded on the basis of your own

studies, Mr. Dykeman, that no discount house customer was, according to your own studies, on the basis of the median saving more than \$11 by buying through the discount house.

A. Yes.

Q. Wouldn't it be fair to conclude on that basis, Mr. [fol. 482] Dykeman, that based on your own figures that the discount house sales, selling prices of cars through the discount house channel of distribution were not sufficiently low in this area in 1960 to cause any dealer even to approach the break-even point?

A. No, that is not a correct assumption because BC does not deal with an individual dealer. It deals with typical dealers. And as a matter of fact individual dealers were below the break-even point in 1960.

Q. As a matter of fact, then, you would have to make an analysis of the individual dealers in order to determine whether or not any savings which might have been affected by purchasing through a discount house would have any effect on the dealer's operation, wouldn't you?

A. If you deal on an individual dealer basis you would certainly have to study individual dealers, yes.

Q. In short, Mr. Dykeman, your study BC is based on a so-called typical dealer, is it not? It is a statistical average.

A. Yes.

Q. And there isn't any one dealer that in any way conforms to that statistical pattern, is there?

A. Not any single individual, but all conform. The value of BC is to take from a mass of individual situations and find the best decision rules that portray all of these individual situations. These are the best decision rules that portray the 76 or 73 dealership situations rather than any single dealership situation.

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[fol. 485] FRANK C. DYKEMAN, having been previously duly sworn, deposed and testified further as follows:

Cross-examination. (Continuing)

By Mr. Blecher:

Q. I would like to turn back to the price comparison study for just a minute, Mr. Dykeman. I think you testified earlier this morning that you, in determining how a study was to be made, considered that there were two alternatives available, that is studying the seven dealers or studying all 76; is that correct?

A. Yes, sir.

Q. You had available, did you not, most of the records [fol. 486] showing the areas in which customers buying from a discount house or through a referral service were purchased, did you not, areas in which those folks lived?

A. Yes. That would be on the sales invoices of the discount houses.

Q. It would have been possible for you, on the basis of that information, to have made some form of tabulation or study showing the communities in the Southern California area from which the preponderance of those folks came from, where they were located, wouldn't it?

A. Yes.

Q. Did you at any time give any consideration to making a price comparison which would have compared on the one hand prices paid through the discount house or referral service with the median retail price charged by dealers in the general vicinity from which the preponderance of those folks came?

A. No. Because they were quite scattered. And it would involve a great number of studies, a large number of samples.

Q. Did you consider at all, for example, singling out dealers in the Orange County area for that purpose?

A. No.

Q. When you say "No," you mean that you never gave any consideration to doing that at all?

A. I mean there was no reason for singling out the [fol. 487] Orange County dealers.

Q. Wasn't it your observation that of the 1500 some-odd

sales made through discount houses or referral services in 1960 that a large number of those were in Orange County?

A. No, that was not so. It was quite scattered.

Q. On the contrary, did you observe that a relatively small number were made in Orange County?

A. No. It was just a general distribution with no one area showing any importance over another.

Q. I take it then that you did make some geographic breakdown to determine whether or not a single area did show a preponderance.

A. No. We looked at the invoices and just by continuous handling of the invoices and looking at the invoices we got a feeling of widespread dispersion.

Q. In making the analysis as to the effect of a reduction in either selling price or gross volume of the 76 dealers you used a starting point, so to speak, of dealers selling less than 700 cars per year; is that correct?

A. Yes, sir.

Q. How did you come to select that figure?

A. That was the question. The question was asked in that frame of reference.

Q. I take it you didn't make the selection, you were told to study 700 or less.

[fol. 488] A. Yes.

Q. In the course of your study or observations is there any statistical analysis which would make that 700 figure any more significant than using a 600 or 800 figure?

A. We used naturally 300, 400, 500, through 700.

Q. Yes, I understand.

A. We stopped at 700 because the question asked what was the impact on the 700 and below car dealers.

Q. I appreciate that. What I am asking you is did you find on the basis of your studies any particular reason for stopping at 700 as opposed to stopping at 600, 500, or going to 800 or 900?

A. No. We found that generally, though, the smaller the dealership the more the dealer would suffer through volume reductions or price reduction.

Q. Did anyone connected with General Motors tell you why they had selected 700 as the stopping point, or as the starting point, however you want to look at it?

A. No.

Q. You just don't know?

A. Right. Yes.

Q. You just said something to the effect, and check me if I am wrong, that the profitability of the dealer bears a relationship to the volume.

A. Yes. We found it bears a relationship to the volume [fol. 489] and sales price.

Q. But that is not always true, is it, Mr. Dykeman?

A. Very much so. It's a very responsible relationship.

* * * * *

[fol. 490] Mr. Blecher:

Q. Mr. Dykeman, when you captioned this "1960 Chevrolet Dealer Volume" and then there is a subcaption "Number of New Vehicles," those numbers of new vehicle sales, [fol. 491] just so the record is clear, includes new passenger cars and new commercial cars and trucks.

A. Yes, sir.

Q. The fact is that there is no necessary correlation between the number of new cars—and I now use that phrase as you have used it, including trucks—the number of new vehicles, let's call them, sold by a dealer and his profitability, is there?

A. There is a very definite correlation. Gross profit on new and used car sales will vary in proportion to volume.

Q. Maybe my question is not articulate, Mr. Dykeman. The overall profitability of the dealer, as would be reflected, and if you will open any one of these sheets to Page 2, as would be reflected by Line 75, which reflects net profit or loss before bonus and income taxes, that that line reflecting net profit or loss of the dealership before bonuses and income taxes does not bear a necessary relationship, does it, to the volume of new vehicles sold by the dealership?

A. It is a direct result of net sales, for example, which varies in direct proportion to volume, yes. The volume of units sold is very, very influential in determining the net profit or loss.

Q. There is no question about that. Of course it is, Mr. Dykeman. What I am asking you is if there is a necessary relationship between Line 75, the figure thereon, which purports to show the net profit or loss of the dealership

[fol. 492] and the number of units that the dealer sells, number of new units that the dealer sells.

A. Yes, generally the larger the number of units sold the larger will be Line 75.

Q. Let me hand you the financial analysis for Guarantee Chevrolet, and I first invite your attention, Mr. Dykeman, to the document we have marked as Plaintiff's Exhibit 287, which is the array of the dealers, in terms of volume sold. Do you have that before you?

A. Yes.

Q. I invite your attention to Page 2. If you counted up from the bottom my observation would be that Guarantee was fourteenth in terms of total volume of new cars and trucks sold by Chevrolet dealers in the year 1960. That is fourteenth from the top.

A. Yes.

Q. And yet the dealership—

Mr. Rosiello: You say fourteenth from the top in terms of volume?

Mr. Blecher: Fourteenth biggest volume dealer is what I am saying.

Q. And yet that dealership shows a net loss of something over \$10,000 before profit and loss. That certainly would play havoc with any assumption that a large dealership is necessarily a profitable dealership, doesn't it?

[fol. 493] A. That is very true. I didn't say "necessarily," I said "generally." You can find exceptions, very definitely.

Q. Let me show you the financial statement of Cone Chevrolet. In that connection I invite your attention to Page 1 of the array, which reflects that Cone Chevrolet of Fullerton is, according to my account, fifty-second in terms of volume of the 76 Los Angeles area dealers. Fifty-second from the top. And that that dealership, if you will take a look at its total profit before taxes and bonuses, on Line 75, shows a profit of over \$121,000.

A. Yes.

Q. That certainly does not fall into any statistical pattern which shows a necessary relationship between the number of new units sold and the profit of the dealership.

A. Right.

Q. In fact a good number of factors determine the profitability of the dealership as a whole, do they not?

A. Yes, very true.

Q. Among those factors are the profit and loss of the used car department.

A. Yes.

Q. And the profit and loss of the Service and Parts Department?

A. Yes.

[fol. 494] Q. And a very important factor, Mr. Dykeman, is the profit that the dealership makes from financing cars, is it not?

A. Yes.

Q. In fact the other income aspect of the dealership's operation is vital to its profitability, isn't it?

A. Yes. And to clarify the point I made a while ago, you generally find that the larger the number of cars sold the bigger the financial income.

Q. That also depends in large measure on whether or not dealers are capable of financing some of their own cars.

A. Yes.

Q. Then you find that some of the smaller dealers show financing income, as reflected on Line 77 of Page 3, far in excess of the amount that would be normal for a dealership that size, do you not?

A. (No audible response.)

Q. For example, let me point out to you in the case of Kenneth Chevrolet, in Hawthorne, a financing income on its operation, income from financing of over \$147,000 for a dealership that had a total of 1406 cars. That financing income is larger than many of the dealers who sold a great deal more cars than Kenneth, is it not?

A. I would have to compare each one, Mr. Blecher, and I have not.

[fol. 495] Q. That is an important factor in the dealers' profitability?

A. Yes, sir.

Q. And you would find that as a rule that financing income would vary in some relationship, some direct proportion to the number of units sold?

A. Yes, sir.

Q. In determining the question of whether or not a dealer

might elect to go out of business because he reflected no profit, little profit, or indeed a loss on Line 75 of Page 2, isn't one of the factors that you would have to consider in relatively small businesses of this character what the owner would draw from the business?

A. Yes, sir.

Q. And that is an important factor in determining really whether or not the dealer is profitable?

A. Not necessarily so. What is an important factor is how much more by owning a dealership does this man take from the business than a man of equal ability could earn in other pursuits. It could well be that a man of his ability could earn much more than he takes out of the business as an owner. There is no way for me to make that determination.

Q. Precisely that is something that the dealer would have to decide for himself.

A. Yes.

[fol. 496] Q. In other words, he could show no profit, little profit or in fact a loss if he was drawing enough money out of the business in the form of a salary before he would reach any point of deciding whether or not he would close the doors.

A. That would probably have a bearing.

Q. Let me invite your attention, for example, to Hastings Chevrolet, which on Line 75 of Page 2 reflects that the dealership in 1960 showed a loss of slightly over \$9,000.

A. Yes.

Q. Now let me invite your attention to Line 17 on Page 3 which reflects that the owner's salary in that instance was some \$54,000.

A. Yes.

Q. That would certainly be a factor that the fellow that owned Hastings Chevrolet would consider in determining whether or not they were going to close the doors merely because the dealership as an entity happened to be non-profitable.

A. He certainly would consider that as one of the factors, plus what he could get were he not a dealer in ordinary business.

Q. But before he could make any final determination as to whether or not the lack of profitability or relatively small

rate of profitability would affect the decision to close the door you would have to first also consider what he was drawing, if anything, in salary.

[fol. 497] A. Not necessarily. If this dealer felt that his salary were a fair remuneration for the time and effort and investment that he put into his dealership he would consider that merely a fair remuneration for these things and could well base his decision on what the net profit of this dealership indicated.

Q. Of course he could. But on the other hand he could also consider the contrary.

A. He could do as he pleases.

Q. That is he doesn't have to draw any money out of the business on the terms of its profitability as an entity if he draws sufficiently on it in terms of salary, couldn't he, before he would make the decision to close the door?

A. You are asking me to delve into the mind of an owner which I just can't do.

Q. As an accountant you know that is the case in many instances of fairly small businesses, don't you?

A. Yes.

Q. Let me show you the statement for Vista Chevrolet, Mr. Dykeman. This is a dealership that sold a grand total of 328 new cars and trucks in the year 1960, and on that Line 75 of the statement it shows a net profit of \$18,209 before taxes and bonus.

A. Yes, sir.

Q. Let me ask you to look at the financial statement of [fol. 498] Bruder Chevrolet which sold 1362 new cars and trucks, or roughly four times the number, and shows a profit on Line 75, really on 74 but it belongs on Line 75, of \$2,660. In fact you could go through a lot of these such analyses, Mr. Dykeman, and reach the conclusion that the profit of the dealership isn't necessarily connected to and dependent upon the number of cars and trucks that are sold.

Mr. Blecher: Just a moment. Do you have a quarrel with the number?

Mr. Thumann: I am merely having trouble locating Vista Chevrolet. Are you sure it is one of the 76?

Mr. Blecher: It is on your list.

Mr. Thumann: Yes, there it is. I am sorry.

Mr. Blecher: Mr. Leibovitz, would you be kind enough to read the question to the witness.

(The reporter read the pending question.)

The Witness: There certainly are many factors that determine what contributes to net profit of a dealer. My previous answers were directed to one basic statement, which I believe is a statement of fact, that one of these factors, and a very important factor is the volume of cars sold.

As you have pointed out there are many other factors. There is how effectively he controls his expenses, salary that he takes. Certainly there are many factors. But a very important factor that determines profitability of a [fol. 499] dealership is volume.

Mr. Blecher:

Q. Now another important factor, Mr. Dykeman, is the used car operation of the dealer; is that right?

A. Yes.

Q. Again subject to correction by yourself or by counsel, as time may allow, and to expedite this examination I have made a study of this Line 67, which is called "Departmental Profit and Loss of Used Car Departments," of the 76 dealers by volume of new cars and we are using that to mean cars and trucks by volume of new cars sold. And if you make a note of what I say I would like to discuss it with you.

I find that there are 19 dealers who in 1960 sold less than 600 new cars and trucks. And of those 19, and before the allocation of any general administrative expense, Line 67 reflects of departmental profit or loss three of those dealers showed a profit in the Used Car Department and 16 showed a loss.

That there are 36 dealers in the category of six to twelve hundred units, and of those 36 in referring to Line 67 before any allocation of GAO, 18 showed a profit and 18 showed a loss.

And that there are 21 dealers who in 1960 sold over 1200 units, and that of those 16 showed a profit before any allocation and five showed a loss.

The percentage figures break down roughly like this:

In the first category of under 600, 84 per cent of the dealers [fol. 500] were unprofitable, in the middle category it was 50-50, and in the over 1200 category 76 per cent were profitable.

A. All of this is before allocation.

Q. That is correct. And considering that we are talking about these departmental figures before allocation, on this basis and assuming these figures to be accurate, Mr. Dykeman, can you draw any conclusion from those figures that the profitability of a Used Car Department varies in relationship to the volume of new cars sold by a dealer?

A. Yes.

Q. It would appear to be that that would be an acceptable conclusion.

A. Yes.

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[fol. 501] Q. Did you at any time in connection with this mass of information you had available, and which you studied, did you ever look into it—I used the word “study” and maybe you mean something different than I do by that. Did you ever look into the relationship of the fixed expenses [fol. 502] necessary to operate a Used Car Department and its relationship to the profitability picture of that department?

A. Basically not as a separate entity. Our study, as you observe from the Schedules BB and BC combine the new and used car operations as one entity in the study. Certainly just in looking at financial statements we see the amount of fixed expenses that are in the New Car Department and the amount of fixed expenses that are in the Used Car Department. So we are not unaware of fixed expenses being in the Used Car Department. But we didn’t study that separately.

Q. Isn’t it true on the basis of your observation, Mr. Dykeman, that the small dealership, in terms of selling new cars, generally sells also a number of used cars that bear some relationship to the number of new cars that he sells?

A. Yes, sir.

Q. And that the fixed cost of operation to a dealership selling a small number of used cars is roughly the same

as to the dealer that sells a significantly larger number of used cars?

A. No. The fixed expenses, as one of our charts indicates, stays the same for ranges of volume. And then when there is an increase beyond that range we get what accountants call a stair step up in the level of fixed expenses.

So you answer your question, which is a difficult one. [fol. 503] Yes, for a particular range they stay constant, and then when you go beyond that range you get a step up, an increase in the fixed expenses of the New and Used Car Departments.

Q. That was a study based on the New and Used Car Departments combined?

A. Yes.

Q. I am trying to isolate for the purpose of our discussion here the Used Car Department separately. Isn't it a fact, for example, just picking somewhat arbitrary numbers, that the dealer that sells a thousand used cars has an overhead fairly close to a dealer that might sell three or four hundred used cars per year?

A. I did not make that study. But I would assume that it would be somewhat different.

For example, he would have to pay property taxes on a thousand used cars versus property taxes on 300. He would have to maintain a lot that would hold a thousand cars and this would require a certain size.

These would cause differences in the fixed expenses but we just did not study that phase of it in detail.

Q. We have got these two sheets from Bruder and Vista out. If we compared the one on the left here, I am talking about Vista, and that has a used cars and trucks sale of 471, and the Bruder exhibit has 932. There are almost twice as many but not quite. If we turn to Page 3 and check the column for fixed expense group for the Used Car Department [fol. 504] ment we find in the case of Vista an entry of \$7,135 and for Bruder \$8,011, a difference where Bruder is higher by less than \$900 for nearly twice the volume.

A. Which is 12 per cent, though, different.

Q. Would you find, as you went through these, that the fixed expense necessary to operate a Used Car Department does not bear necessarily a close relationship to the number of units that the dealer sells?

A. That is what we mean by the stair step-up versus a regression line graph. It is affected by size but it is not affected by changes in size at a fixed proportion. That is why again you have a step stair relationship and not a variable line relationship. If it were a variable line relationship you would say that they would be reasonably proportional, and they are not reasonably proportional, but they do change, Mr. Blecher.

Q. And that is why you use the step graph in preparing that study in connection with the fixed expenses for the New and Used Car Department whereas you were able to use a line of regression for all of your other graphs; is that correct?

A. Yes, sir.

Q. Doesn't that indicate to you, Mr. Dykeman, that one of the real difficulties that a small dealership has in making money is because of its relatively high fixed expense in relation to the number of units that it sells?

[fol. 505] A. No. What it does indicate is that he has a poor amount of maneuverability with these fixed expenses. So that he is very directly and vitally affected by changes in volume.

The small ones are at the lowest level of fixed expense. He can't change. So that when his volume goes down his fixed expenses stay constant and it's a fair part of the overall cost. So he gets hurt very quickly by a reduction in volume. That is very definitely so.

Q. Stated another way aren't you saying that the small dealer by reason of his being small has a reduced opportunity to make money right from the beginning?

A. Yes. Because of these fixed expenses.

Q. In your graphs here and in your studies, I am referring now to BF, BG, BH, BI, BJ, BK and BL, your graph is based on the X axis, at least the volume of new cars and trucks sold by a dealership.

A. Yes, sir.

Q. And on the Y axis, or the vertical bar it is based upon the combined gross profits for New and Used Car Departments.

A. Yes, sir.

Q. If I can invite your attention to Exhibit BM, you undertake there, as I read this, to set forth an arithmetic

mean average of gross profit for dealerships reflected by the various lines of regression, except in the case of semi-fixed new and used car expenses which don't follow the line. [fol. 506] A. And the semi-fixed service and parts, and the fixed expenses, yes.

Q. Those remain constant?

A. Yes.

Q. But to the extent that there are variables, and excluding for the moment the semi-fixed new and used car expenses, your numbers are taken off of the line of regression worked out mathematically.

A. Yes, sir.

Q. And you undertake to state separately, so that there is capable of separate computation the profitability of the Parts and Service Departments.

A. Yes, sir.

Q. So that you would take the gross profit in any of these quantity categories and you could deduct from that the semi-fixed service and parts expenses and you could reach some determination, could you not, as to whether or not the parts and service business was profitable?

A. Well, the parts and service operation in addition to just gross profits on parts and service, and semi-fixed expenses on parts and service would bear part of the fixed expense also.

Q. What I am saying here is that you continue from that chart to compute the profitability of the Parts and Service Departments without knowing what portion of the fixed expenses it bears.

[fol. 507] A. Yes, sir.

Q. Now, in no way on this chart, or any of the others that follow it, BN, BO, BP and BQ can you reach any determination about the profitability of the New Car Department as distinguished from the Used Car Department, can you?

A. That's right.

Q. And actually you chose to begin the gross profitability of the New and Used Car Departments, did you not, so as to conceal the fact that the Used Car Departments were as a general proposition very unprofitable for the dealers affected by this study, i.e., those under 700?

A. No, sir. We did it for about the same reason that

you mentioned yourself a while ago, that there is a close relationship between the New Car Department and the Used Car Department.

In most cases when we sell a new car we get a used car back in trade. And because they are so interwound in one operation we combine them as the most realistic portrayal of the situation.

Q. You could have made this study separating out the gross profit on new cars and separately computing the variable expenses, semi-fixed expenses and fixed expenses for that department, could you not?

A. Yes.

Q. And you could have done precisely the same thing for [fol. 508] the Used Car Department.

A. Yes.

Q. And in doing that the fact is, Mr. Dykeman, that it would have reflected on its face by a simple arithmetic computation that the Used Car Departments were always dragging the profitability of the dealership down in this category of less than 700.

A. Yes. As you have percentage figures indicating the greater proportion of the Used Car Departments under 700 were not profitable.

Q. And the effect of merging the two together in the study, as you have made it, is in effect to reduce the point at which a reduction in volume would make a dealer break even, isn't it?

A. Yes. But as you mentioned a while ago we had to consider both sides of one transaction. When a new car is sold a used car in most cases comes into existence.

Q. But you didn't have to consider them integrally. What I am saying is you could have made this study separately.

A. Yes, sir.

Q. If you had made it separately it would have shown on its face that the difficulty in making money of a dealership in this category of less than 700 really was caused in large measure by the lack of profitability in the handling of used cars, would it not?

[fol. 509] A. No, I can't say that because while we have again good proportions of used car operations resulting in a loss your question goes to the magnitude of that loss. And you have to study the magnitude of the loss first to

see whether it would have a minor or a significant impact on the operation of the New Car Department. Merely saying that a number of used car activities resulted in loss is not significant. The significant thing is the magnitude of these losses.

Q. Did you undertake to make that study and see how it would look in relation to the study which you have appended to this affidavit?

A. No. Because we formed a conclusion, and intelligent analysis of a dealer operation. If it were to be intelligent it should combine the two, because the transactions are interwoven, as I mentioned a while ago.

* * * * *

[fol. 510] Q. Now, the fact is that your studies BM through BQ are in substance based on a hypothetical dealer, not one of whom exists in this area.

A. Yes, sir.

Q. And that you could have made this study, as I have suggested, on an individual basis, could you not?

A. I must clarify this. All of these studies are made [fol. 511] on the 76 dealers. The only hypothetical is the selection of the term to characterize these dealers, such as 300, 400, 500.

Q. That is what I meant.

A. These studies are based upon real life situations, the financial statements of 76 dealers. This is what happened to 76 dealers during the year 1960.

Q. There is no doubt about that. But what we have got here in each of these categories that have been selected up through 700 is a grouping of dealers and then a study based on the average of those dealerships, do we not?

A. Yes. Or the mean of them.

Q. And those means or averages do not reflect any single dealership but are a result of combining figures together and then dividing.

A. Yes, sir.

Q. And there is no dealer, so to speak, who fits the pattern as an individual of this 300 fellow that we are talking about in Exhibit BM.

A. Taken as a group they all fit the pattern. To my memory there are five dealers in the 300 group, and each

dealer differs. However, the best representation of those five is our typical dealer.

Q. You don't really mean, Mr. Dykeman, that they all fit that pattern, do you?

A. No.

[fol. 512] Q. Of course they don't.

A. This is the best representation of five dissimilar results.

Q. You mean four, really.

A. Four.

Q. Let us talk about those four fellows that make up this 300 category. You have that array before you and I take it you started with the lowest four fellows on the totem pole, College Chevrolet, Security Chevrolet, Bartons' and Vista.

A. Yes, sir.

Q. Those are the four fellows that made up the study that is reflected by Exhibit BM.

A. Yes, sir.

Q. First of all will you tell me, Mr. Dykeman, why you picked those four?

A. Well, we wanted to characterize a 300, 400, 500, 600 and 700 car dealer, and the best characterization are those dealers selling from 250 to 350, or 349, and 350 to 449 and 450 to 549. We went up in groups of a hundred, accretions of a hundred. The only reason we picked those four dealers is that these four dealers fell into that grouping.

Q. How many systems did you play around with before you picked out this one?

A. None.

Q. You mean this was the basis you selected and the only [fol. 513] study you made on this basis? It was on this basis?

A. Yes.

Q. Just so the record is clear here there was no adjusting of these brackets at any time in making comparable studies to see which one would best reflect this effect of reduction in price on dealerships?

A. No. We wanted to get a well thought out mode of representing this. Now, at times we may have said 200 to 300 rather than 250 to 350. We might have discussed things like that, to my knowledge.

Q. Sure you did. And in fact you did make some kind of sampling or study on the basis of 200 to 300, didn't you?

A. We made some tests like that.

Q. And you made a sampling of 300 to 400 and 400 to 500 and 500 to 600, didn't you?

A. Yes.

Q. And you went all the way up to 800, didn't you?

A. Yes.

Q. And you used these figures because they proved your point better than the other figures by grouping the dealers differently.

A. No, that is not so. To the best of my knowledge that is not a true statement.

Q. Why is it that you didn't use the grouping of 200 to 300?

[fol. 514] A. Again the question came in: What is the impact on 700 cars and below.

We felt that the best way of answering that question was to start from 250 to 350 and to say this is the 300 average, and from 350 to 450 and say this is the 400 average.

If we had gone from 200 to 300 we would have been forced to say this is the 250 average. And we felt it was easier to say that in round numbers, three, four, five, six and seven hundred.

Q. It was solely a question of convenience in determining your choice; is that it?

A. Yes, to the best of my knowledge.

Q. A while back I think I got diverted, Mr. Dykeman. I asked you whether or not it wouldn't have been possible to make this study, i.e. a study showing the effect of reduction in volume or reduction in price by dealers on an individual basis and then compute the sum of the digits. It would have been very easy to do that, wouldn't it?

A. No. Because as we analyze the problem on an individual basis they are so dissimilar. You could select any one individual and come up with a conclusion and disprove it completely by selecting another individual. We felt that the best way to portray a situation was not take individual by individual, but to try and find what decision rules faced all of these people. To work with all of the data because all the data enabled us to form decision rules for all of the 76

[fol. 515] people. And then we merely took the decision rules and applied it to a grouping.

Now, we could have applied it to 200 to 300. We just selected the 250 to 350 and said that was the 300 group.

Q. There isn't any doubt in your mind, Mr. Dykeman, as to what this survey or study is going to be used to show or is designed to show, is it?

A. It is designed to answer a very definite question that was put in front of us: What is the impact of a volume change on dealers in the 700 and below range?

Q. But in the context of this litigation you knew and understood that the thrust of the study was going to be a foundation upon which General Motors would urge that an increased volume of sales through discount houses would necessarily bring about the demise, at least the destruction of profitability of certain dealers. There wasn't any question that was what this was going to be used for at the time you undertook to prepare it, was it?

A. I am not familiar with the general mode of strategy. They haven't discussed this with me. We were asked a specific question.

Q. And you made this study in the abstract without having any notion at all what its thrust was in terms of the issues in this litigation?

[fol. 516] A. Well, it was a study of facts. And when you study facts you just wait and see what the results are. Sometimes the results are favorable to a position, sometimes they aren't.

We, as people who study facts, are not interested in how the facts are going to be used. We have intellectual curiosity, but a factual study is a study of facts. And you use techniques, you use accounting techniques, you use statistical techniques to try to best portray these facts.

Q. Let me ask you this, Mr. Dykeman, would you think it would be fair to say that a reduction of 12 per cent in the volume of cars sold by those dealers comprising the 300 category, as demonstrated by Exhibit BM, would result in the lack of profit to each dealer within that class?

A. No.

Q. Obviously it wouldn't.

A. It would not.

(A short recess was taken.)

Mr. Blecher:

Q. But that is really, Mr. Dykeman, what Exhibit BM is intended to convey, that is convey that impression?

A. No. BM deals with the typical dealer. Again we know that dealers differ and what this study is intending to portray are the major decision rules that the entire 76 are guided by. When you get down to an individual situation, you tend to prove almost any point of view that you wish because of the differences between individual dealers.

[fol. 517] It is almost like the insurance industry who says, "Here is an average man and the average man is a certain age and he is a certain height and he has a certain life expectancy." And the whole industry is based on that.

If you wanted to you could show that some people die early and some people die late. But this average man is the best characterization of the entire populous.

Q. Referring to your array here, which was Exhibit 287, let me hand you the financial statement for the smallest dealer in the area, which was College Chevrolet and invite your attention to Page 2, Line 75, which reflects that in 1960 that dealership showed a net loss of \$96.04. Is that correct?

A. Yes. That shows he would lose money and has lost money without any volume change.

Q. Let me show you the statement for the second smallest dealer, which is Security Chevrolet, and invite your attention to Line 75 Page 2 which shows that that dealership lost an amount of \$26,880.16 in 1960.

A. Yes, sir.

Q. The fact is in respect to both those dealerships no reduction in volume was necessary to reach the break-even point because they were long past it.

A. Yes, sir.

Q. Let me show you the statement for Barton Chevrolet, [fol. 518] who is the third smallest dealer, and his dealership shows a profit on Line 75 of \$4,321.41.

A. Yes, sir.

Q. It is fairly simple to calculate, is it not, that if he lost 12 per cent of his volume of new cars, which would be 273 at the rate of 12 per cent that we are talking about something over 30 cars, at an average gross profit of over \$200 that he would be losing money?

A. Yes. It is also easy to see that our typical dealers make a profit of \$6,002.00, and any dealer below \$6,002.00 would lose money faster than we say and any dealer above \$6,002.00 would not come to the break-even point as fast as this.

Q. Let us take the case of Vista, who is the fourth dealer and last dealer in this category, and Line 75 of their statement shows a profit of \$18,209.14.

A. Yes.

Q. The fact is in making this average of the four dealers comprising the so-called 300 group, Mr. Dykeman, that this last fellow, the inclusion of Vista, markedly alters the whole structure of it, doesn't it?

A. He is part of the average and he has an impact on the mean, the arithmetic mean computation. Yes, every one of the four do.

Q. In this particular case he affects it more than the [fol. 519] other because his profit is so much greater than the other profits or the losses in the case of the first two.

A. Yes.

Q. In fact if you drop Vista out of this category and made a study on dealers who in fact sold less than 300 units it would show that those dealers didn't need any reduction in volume to break even, they had passed that point, wouldn't it?

A. Yes.

Q. And that is one of the reasons you choose this category of 250 to 350 instead of 200 to 300.

A. It is not so.

Q. Didn't you make a study on the basis of 200 to 300, or the average of 250, and submit that to General Motors?

A. We made a number—Yes, we made preliminary studies along that line.

Q. Didn't they tell you to go back and figure it out some other way so we could show that the dealers needed a reduction in volume to drive them to the break-even point?

A. No. Actually that first schedule, as you indicated yourself, would be even more telling on the General Motors position because they could have stated apparently that here are people who are in a very bad position. Here are dealers who are going to be affected immediately by any volume change.

Had we used those three, for example, in the first class instead of coming up with the first volume reduction of [fol. 520] 12 per cent on BB, we would have come up with a volume reduction of maybe 2 per cent or 3 per cent.

Q. Or zero?

A. Or zero. Which would be perhaps more in favor of what General Motors might want.

Q. At least in your view.

A. Yes.

Q. Actually when you take these four fellow that make up the first group, the only one treated as an individual that might be adversely affected to the point of no profit by volume reduction of 12 per cent would be Barton.

A. The others would lose more, Barton would break even before 12 per cent and Vista would not break even, it would have a profit at 12 per cent.

Q. It would still make money at that reduction.

A. At 12 per cent, yes.

Q. Do you know of any facts which would lead you to believe that the lack of profitability of College Chevrolet in any way related to the discount house activity?

A. No. We didn't study that.

Q. Your study doesn't purport to make that determination, does it?

A. No.

Q. And that would be true with respect to these other dealers, wouldn't it?

[fol. 521] A. Right.

Q. Getting back to the question, you could have for each of these dealers in fact computed what was the break-even point for each of them on an individual basis.

A. Yes.

Q. And in the case of College and Security in making such a computation you would have found a break-even point at zero since they were losing money without any volume reduction.

A. Yes, sir.

Q. And you could have found, for example, that Barton would have reached the break-even point before 12 per cent, just using an arbitrary number, that they would have reached it, let's say, at 8 per cent; is that right?

A. Yes.

Q. And you could have found for Security to reach the break-even point it would have taken more than 12 per cent. Let's take an arbitrary figure like 16 per cent. Right.

A. Yes, sir.

Q. And then you could have made a study tabulating all of those, couldn't you?

A. Yes.

Q. Did you make such a study?

A. No, sir.

Q. Do you think that would be more meaningful than this?

[fol. 522] A. It would be less meaningful because our analysis in effect took all of the 76 dealers and we tried to identify uniform powers that react on these 76. If we dealt with each one, each individual would distort the picture and it would make it most difficult to come up with an interpretation based on all.

The arithmetic mean of the computation you are suggesting would have been a number that in my opinion would have not been a very significant number.

Q. I am not suggesting, Mr. Dykeman, an arithmetic mean. But you could have made a computation showing that seven dealers were losing money to begin with and didn't need any volume reduction to drive them to the break-even point. There were three dealers, for example, that needed a volume reduction of 2 per cent, seven dealers that needed a volume reduction of 8 per cent, and so on. Wouldn't that have been a study, along those lines, that would have been a more meaningful portrayal of what actual effect a volume reduction would have had in terms of these real live business entities based on their 1960 sales?

A. No. Because even in that study you would have pulled them all together in order to come up with conclusions. And that is what we did in our study. We used each one of these 76. Each one of these 76 were used in our study and we wanted a number of dealers to be portrayed of the 76 because the more dealers we had the less [fol. 523] the interpretive rule was influenced by non-conforming or out-of-pattern dealers. We had to try to get conforming rules. And our study is a very carefully thought out study to give us conforming patterns among

76 in an environment where on an individual basis you would be coming up with highly conflicting dissimilar results.

And it is because of these conflicting and dissimilar results we feared that you could make any interpretation that you wished merely by picking one group versus another.

We had to get the decision rules that applied to the 76 and find the statistical patterns that applied to the 76.

Q. In making the study of the first four you don't find any of the so-called uniformity, do you?

A. No. Quite dispersed.

Q. You find one dealer that is making a relatively substantial profit, one dealer that is barely making a profit and two dealers that are losing money.

A. Right.

Q. And on the basis of that wide range of disparity, ranging from over \$9,000 loss to a \$18,000 plus profit, you attempt to form a statistical pattern under which you assert that a volume reduction would have certain effects. Now, that doesn't really mean anything, does it?

A. That is not right. We developed these statistical [fol. 524] patterns not from these four. That is the point I am trying to make. The statistical patterns were developed from 73.

Mr. Mitchell: Seventy-three or seventy-six?

The Witness: It was 76 and we excluded three, Mr. Mitchell.

Had we developed statistical patterns from just these four, as you suggest, we could not get a uniform or intelligent interpretation because the next statistical group would be quite dissimilar. So, therefore, we put all of the dealerships together to see what statistical patterns apply to all so that we could say much as the insurance company says, these rules are most characteristic of all 76 dealers, or 73, because we excluded the three.

Our objective in these studies was to develop rules that were the most characteristic of the situation for the entire 73, not for any one or not for any group of four, but for the whole 73.

Mr. Blecher:

Q. But now if you try to apply what you call these rules to this group of four you find it really doesn't mean anything; is that right?

A. It means a great deal.

Q. What would it mean in the case of College Chevrolet that was already losing money?

A. They would lose more.

Q. And what would it mean in the case of Security Chevrolet?

[fol. 525] A. If they had a volume reduction they would lose more.

Q. And what would it mean in the case of Vista?

A. Vista, they would make less.

Q. So all you are proving is that a volume reduction would have an effect on profit.

A. Yes.

Q. That is not very startling, is it, Mr. Dykeman?

A. No. But we are showing the extent of the volume reduction that would bring this group close to the break-even point.

Q. But there isn't any such group, is there? In reality the figures that are portrayed by Exhibit BM don't reflect the actualities of these four businesses that they undertake to reflect.

A. They are the mean of the four.

Q. And of the mean the fact of the matter is that two of the dealers were already losing money.

A. Yes.

Q. And they have the effect of weighting the average in a manner—Let me invert that. The one dealer that is making a substantial profit in this group has the effect of weighting the average to the point where before they reflect a profit why in fact that is not an actual reflection of the actual individual businesses.

A. No. Two made a profit and two lost, yes.

[fols. 526-528] Q. The pattern for the 500 group dealers varies from the others, does it not?

A. Yes, sir.

Q. What caused that, Mr. Dykeman?

A. Essentially the 500 did not conform to the pattern because of the fixed expense. The impact of fixed expense.

If you look at Chart BL you will find that the 500 car dealers are in a good position. They are on the high side of the range of fixed expenses.

Car dealers from 350 to 550 have this same level of fixed expenses. They are in a very fortunate pattern. As they jump up to the 600 car dealership their fixed expenses go up.

But in specifically answering your question they do not conform to the pattern following through because of the impact of fixed expenses on a 500 car dealership.

Q. And the thrust of that is, Mr. Dykeman, that a dealer who sells less than 500 units is in a position where right from the beginning his opportunity to make money is substantially decreased.

A. Because of these fixed expenses.

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[fol. 529] Q. I am talking about the 500 volume fellows.

A. Within this?

Q. Sure.

A. I don't recall. I would assume we would have pluses and minuses around that arithmetic mean, yes.

Q. In fact one of the dealers was losing money and the other four were making money.

A. Yes.

Q. And of course the fellow that was losing money drags the average down.

A. Yes, sir.

Q. And assuming for the moment that he wouldn't have been in business at all in 1960 the other four fellows would require a much higher loss of volume in order to cause them to reach the break-even point.

A. If you excluded the losing dealer, yes.

Q. One-third of the dealership's volume, that is a pretty substantial amount, isn't it, Mr. Dykeman?

A. Yes.

Q. I mean as far as business gone, and based on your [fol. 530] long experience as an accountant, you don't rarely find that type of reduction taking place.

A. Well, that is a general statement and I am sure there are many examples of finding that type of reduction in business, yes.

Q. On the basis of this analysis did you form any opinion as to whether or not the five dealers who comprised this 500 category were likely to each lose one-third of their volume?

A. We did not study that, no, sir.

Q. The 500 group also requires a much higher reduction in selling price before they would reach the break-even point.

A. Assuming a no change in volume, yes, sir.

Q. And of course in computing this break-even point you have not, except treating it as an expense, taken into consideration a judgment factor which the dealer would make, namely whether he would be willing to stay in business simply to draw a substantial salary from the dealership.

A. Yes.

Q. And of course the study at all times assumes all other things remaining equal except to the extent that the study itself reflects a variation in miscellaneous income and in the variable expenses and semi-fixed expenses.

A. Yes. Every expense that is affected by volume this study shows a decrease in those expenses. Any expense that is not affected by volume, that expense remains constant. [fols. 531-534] stant.

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[fol. 535] Q. Let me invite your attention to Line 18, which is "Supervision-Salaries." You found that those bore no relationship to the volume of a dealer?

A. Yes, I am pretty sure we classified those as fixed.

Q. How did you come to that conclusion?

A. Well, on two bases, One is business judgment.

We know on the basis of much experience that supervisory salaries are relatively fixed. They only change for significant changes in volume activity. They are essentially fixed.

And then we also looked at the dealers, and to be specific, we looked at the 31 dealers whom we were investigating [fol. 536] to see if when we increased the volume of cars sold that supervisors' salaries changed. And they didn't to any extent. Actually some were higher for low volume

dealers than they were for high volume dealers. It was a very inconsistent pattern.

Q. What do you consider on the basis of business judgment, Mr. Dykeman, to be a significant change in volume?

A. Oh, anywhere in the area of a 25 per cent change.

Q. To the extent, for example, that Exhibit BO, which talks about a third reduction in volume is predicated upon no change in supervision salaries, where you reached a 30 and 33 per cent level it would be an error not to consider that at least some reduction in supervisory salaries might have taken place at those levels of reduction?

A. To that extent, true. But we also realize that we classified advertising expense as a wholly variable expense. We know that that is not a wholly variable expense. It had major proportions that seemed to be variable.

We know, for example, that advertising expense can really go up if volume goes down. It is within the control of the owner of the company.

But we had to get a businessman's classification of these expenses. And this businessman's classification is reasonably good. It is not exactly accurate.

Q. You say you used the owner's salary but none of those [fols. 537-538] are charged in the New and Used Car Department, are they? They all seemed to be charged to administrative expense.

A. If memory serves, some of them did spread it, Mr. Blecher.

Q. Where they did you treated it as a variable.

A. Yes.

Q. How about other salaries and wages, Line 20, on what basis did you conclude those were wholly fixed?

A. We looked at this expense for each of the 31 dealers to see whether as the number of cars sold this would have any change—any significant change that was related to volume, and we found a completely scattered situation. As I remember no relationship was observable at all.

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[fol. 539] Q. In respect to that portion of your study that undertakes to state the amount of reduction in selling price that would bring about the break-even point, all of the same considerations which we have discussed in connection

with the reduction in volume would be applicable and the studies are identical except, one translates the results in terms of volume, one translates the result in terms of reduction in selling price.

A. No. There is a very important difference between the two studies. A reduction in volume has an impact on all of the expenses, at least those which are variable, and it has a lesser impact on those expenses which are semi-fixed.

A reduction in selling price has an impact just on the retail sales volume of new cars sold and the commission expense. It just has that narrow impact and naturally the net profit figure. It has a much narrower impact.

Q. The result of that would be that the reduction in the selling price as opposed to a reduction in the volume would adversely affect the dealer much more rapidly and [fol. 540] much more adversely.

A. Yes. Because he wouldn't be offsetting expense reductions with it, that's right.

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[fol. 541] Q. How did you happen to choose this method?

A. Well, we investigated a number of methods. We investigated allocation of administrative expenses on a sales [fol. 542] basis, we investigated this allocation on a labor basis and we investigated it on this method of allocating in direct proportion to the allocation already made on the statements.

We felt in analyzing the sales method that this was an inappropriate method because the sale of new and used cars deals with a relatively small number of sales of large magnitude, and the service and parts activities deals with many, many items of small magnitude. Therefore we concluded that if we used the sales method we would have an inaccurate distribution.

We looked at the distribution based on wages and we felt that the reverse was quite true. Here in the Service and Parts Department there was much labor incurred on many, many small items and correspondingly less labor expense in the New and Used Car Department. We felt if we used a labor method it would be unfair in the direction

just the opposite as the unfairness had we used a sales method.

When we analyzed spreading the expenses on the basis of the ratio already spread, or already distributed, we felt that was the fairest.

We spoke to several dealers and asked for their suggestions to see whether they could supplement our knowledge and they couldn't come up with any real contribution beyond that determination that we had come to. In our opinion we felt that this method we did use was the fairest. [fol. 543] Q. Added to the other two, from an accounting standpoint it would have been equally acceptable, wouldn't they?

A. No, sir. It my opinion they are not acceptable because they are completely unfair. One would have been unfair in terms of allocating a big proportion of expenses to the New and Used Car Department, the other method would have been unfair in terms of allocating a big proportion of administrative expenses to the Service and Parts Department. We felt that these were basically unfair in the opposite directions. And we concluded that the method that we selected was the fairest presentation.

Q. Why is it unfair to assume, Mr. Dykeman, that the administrative expenses are incurred in a relationship with sales?

A. Because when you analyze the types of expenses that are involved you realize that they include not only expenses in the New and Used Car Departments but also in the Service and Parts Department.

For example, there is a tremendous amount of clerical work that is applicable to service and parts activity. There is a great deal of inventory record keeping, a great deal of billing. And when you bill for an automobile you have a small proportion of time spent in handling a big volume, that is a big dollar volume, whereas in the service and parts you have a lot of clerical work involved in small amounts, [fol. 544] relatively small amounts of charges to customers. But this is where the work is incurred.

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[fols. 545-551] Q. Actually, Mr. Dykeman, there are a number of different systems that could be used in allocating these expenses and any one of them might be as good as the other.

A. No, sir. There are a number of possibilities but we feel that the one we selected was the most appropriate and the most accurate. The others were inappropriate, in our opinion.

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[fol. 552] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Honorable CHARLES H. CARR, Judge Presiding

No. 62-1208-CC Civil

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, et al., Defendants.

Reporters Transcript of Proceedings—June 17, 1964

[fol. 553] **APPEARANCES:**

For the Plaintiff United States of America: Maxwell M. Blecher, Robert C. Weinbaum, Antitrust Division, Department of Justice, 1602 Federal Building, Los Angeles, California.

For the Defendant General Motors Corporation: O'Melveny & Myers. By: Homer I. Mitchell, Henry Thumann, Donald Wessling, 433 South Spring Street, Los Angeles, California and Lawler, Felix & Hall. By: J. Philip Nevins, 603 West Olympic Boulevard, Los Angeles, California and Aloysius F. Power, Robert A. Nitschke, Nicholas J. Rosiello, Robert W. Culver, 3044 West Grand Boulevard, Detroit 2, Michigan.

[fols. 554-555] For the Defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Chevrolet Dealers Association: Hansen & Dolle. By: Victor R. Hansen, 453 South Spring Street, Los Angeles, California and Glenn S. Roberts, Gary Lovell, 458 South Spring Street, Los Angeles, California.

[fol. 556] COLLOQUY BETWEEN COURT AND COUNSEL

Mr. Wessling: For the record, your Honor, we are objecting to a rather large number of documents, but the objections fall into three fairly discrete categories. The following documents are objected to insofar as they contain hearsay statements regarding prices at which Chevrolets could be purchased through discount houses.

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[fol. 557] Mr. Wessling: 3, 12, 21, 33, 70, 78, 94, 95, 96, 98, 99, 102, 103, 104, 105, and 170.

The following documents marked by the Government as plaintiff's exhibits are objected to insofar as they contain opinions, with no foundation having been shown therefor, regarding prices at which Chevrolets could be purchased through discount houses. These documents are 3, 10, 12, 13, 14, 19, 20, 21, 24, 27, 28, 32, 33, 35 through 38, 40, 43, 44, 45, 48 through 59, inclusive.—

* * * * *

Mr. Wessling: 62 through 70, inclusive; 74 through 77, inclusive; 86, 90, 94, 95, 97, 101, 102, and 103.

In the third category are documents to which Defendant General Motors objects insofar as they contain purported summaries of prices at which Chevrolets could be purchased through discount houses, which summaries are based on records of discount houses and dealers, and which records the plaintiff has not marked for identification and has not produced in court. Those documents are 10, 12, 13, 14, 20, 21, 27, 28, 32, 35 through 38, inclusive; 40, 43, 44, 45, 48 through 58, inclusive; 62 through 70, inclusive; 74 through 77, inclusive; 86, 90, 94, 95, 97, 102, and 103.

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[fol. 560] Let me tell you what these documents are so you will see clearly what I am talking about. Every document that we are objecting to here now is a communication, either a wire or a letter written and sent by a salesman, a Chevrolet salesman, or a dealer to General Motors

Corporation or the executives of General Motors, asking that something be done about the so-called discount house situation.

The Stipulation of Facts No. 1 contains a table showing the writers of these letters, the dates of the letters and the persons to whom they were sent. There is no dispute between the plaintiff and General Motors as to their having been sent, as to their having been received or as to the fact that each and every one of them asks that something be done about discount houses. There is no such dispute.

If the Government offers them for the purpose of showing that a number of dealers and salesmen asked General Motors to do so, then we have no objection.

[fol. 561] The Court: That would be the only purpose those would be admissible on, not to prove the acts set forth in the letter.

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Mr. Blecher: Your Honor, we offer these documents to show the state of mind of the writer, not only that he asked the assistance of General Motors in stamping out discount houses, but that the matters complained about, the complaints made by his dealers and salesmen to which objection is now being made, is that they were afraid of the price competition that was being offered by the discount houses.

If the folks that wrote these letters, namely, the dealers [fol. 562] and salesmen, were on the firing line on a day-to-day basis they surely had knowledge of the fact that they were losing sales to the discount houses, and the reason why they were losing sales to the discount houses.

It is for that purpose we offer those in evidence, and not to establish the fact that the discount houses were, in fact, selling for less than the dealers.

The Court: Well, then, do you still object, counsel?

Mr. Wessling: Well, I am not sure Mr. Blecher completely takes care of all of the problems.

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[fol. 563] The Court: The next thing is this, that these letters from these salesmen are evidence only of the fact

that they are complaining, that there is an indication, they are indicative of a situation existing, which is inherent in the whole case anyway. I mean there isn't any dispute but what the fact was that they were concerned about it, is there?

Mr. Wessling: No dispute.

The Court: So what else does it prove?

Mr. Wessling: Well, we think nothing else. I am not sure I understood Mr. Blecher so to limit the purpose for which he was offering them.

The Court: Well, did you go beyond that?

Mr. Wessling: Well, if Mr. Blecher is willing to state to your Honor that he does not offer any of these documents to prove, as a fact that Chevrolets could be purchased through discount houses at certain prices, then probably we have no dispute.

But our worry is that these letters contain incompetent declarations by their writers, sometimes hearsay, not only because the writers are not in court, but hearsay because [fol. 564] the writers themselves who are not in court, put in the letters statements made to them by third parties.

The Court: That is obvious, that is obvious.

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[fol. 565] JAMES M. ROCHE, called as a witness on behalf of Defendant General Motors Corporation, having been first duly sworn, was examined and testified as follows:

The Clerk: Please be seated.

What is your name, please?

The Witness: James M. Roche, R-o-c-h-e.

The Clerk: Thank you.

[fol. 566] The Court: By the way, I follow the practice of allowing leading questions until you come to crucial matters. I am sure you gentlemen have had ample experience to know when that point arrives, so up to that point you may lead.

Direct Examination.

By Mr. Mitchell:

Q. Where do you reside, Mr. Roche?

A. I reside in Bloomfield Hills, Michigan.

Q. What is your occupation?

A. I am executive vice president of General Motors Corporation.

Q. How long have you held that position?

A. Since September 1, 1962.

Q. So that we will understand in this large corporation where you fit in the organizational structure, will you describe from the top down to where you are, the offices, and the persons who hold those offices?

A. The chief executive officer of General Motors Corporation is Mr. Frederick G. Donner, who is chairman of the board; chief operating officer of General Motors Corporation is Mr. John F. Gordon, who is president.

Under Mr. Gordon there are four executive vice presidents. Mr. L. C. Gode, executive vice president in charge of staff activities of General Motors; Mr. J. A. Goodman, [fols. 567-569] who is executive vice president in charge of the car-truck body and assembly activities; Mr. George Russell, who is executive vice president in charge of finance, and I am the fourth executive vice president and have the responsibility for the Dayton household appliance group, the Electro-Motive Division, the Allison Engine Division, and the other engine divisions, and all General Motors operations outside the United States.

* * * * *

[fol. 570] Q. In addition to being executive vice president of the corporation, do you hold any other offices in General Motors Corporation?

A. Yes, I do. I am also director of General Motors. I am a member of the Executive Committee, the Administration Committee, and all of the policy committees of General Motors.

Q. Now, would you outline your career at General Motors? I am not talking about every office or job you have performed, but generally, starting with when you

[fol. 571] came with General Motors and up until the time that you became executive vice president.

A. I started with General Motors Corporation in the Cadillac Division in Chicago, Illinois, on September 1927, in the Chicago Branch of Cadillac, which was a branch house operation engaged in sale of new cars at retail, used cars, service operation, parts and accessory operation, and generally a dealer type of business.

From there I progressed through various capacities in the selling organization at Cadillac and became general sales manager of Cadillac on June 10, 1950.

I remained in that position until January 1, 1957, at which time I was made general manager of the Cadillac Division and continued—

Q. What does that mean? Does that mean you have charge of the manufacturing as well as the distribution?

* * * * *

A. That means that I had complete responsibility for the operation of the Cadillac Division, starting with the engineering, design, manufacturing, and the distribution, and sales activities.

I remained in that position until June 1, 1960, at which time I was made vice president of General Motors in charge of the distribution staff.

[fol. 572] Q. Now, what does that mean?

A. That means that I had the responsibility for directing the activities, from a merchandising distribution standpoint, of all divisions of the corporation, from the standpoint of formulating policies, procedures, and general approaches to our sales, service, advertising, customer relations activities.

Q. And that started when?

A. That started June 1, 1960. And I continued in that capacity until I was given my present assignment on September 1, 1961.

* * * * *

[fol. 573] By Mr. Mitchell:

Q. Now, I would like to have you address yourself now to a description of the Chevrolet merchandising plan in the Los Angeles metropolitan area, and why General Motors and Chevrolet have such a plan. And I think the—perhaps the best way to start with it is to have you tell the court what kind of a product you had in relation to this merchandising problem.

A. The Chevrolet merchandising plan, together with our merchandising plan with all of other car divisions, both here and abroad—

Q. May I interrupt there?

A. Yes.

Q. They are really the same?

A. They are exactly the same. Because it is based upon what we call the franchise system of distribution through authorized dealers.

In the automobile business we are dealing with a very expensive product, actually in most cases it perhaps is, next to the home, the largest expenditure that the average person ever makes. It represents therefor a substantial investment, and an important part of the assets of that individual.

Beyond this there is, of course, the fact that it is mobile, and it has to be kept in good operating condition to serve [fol. 574] the purpose for which the individual has purchased the vehicle.

The automobile, because of its size and because of its cost, is a commodity which could not be produced reasonably, or within the means of the average mass buyer, were it necessary to build them in limited numbers, and were it necessary to attempt to build them in one location and store them for indefinite periods.

So we, going back into the early days of the industry, adopted what has become known as the franchise system of distribution to accomplish two important objectives—

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The Witness: First, to provide us, as manufacturers, with a steady, dependable outlet for our product.

And unless we had that type of outlet, it would be im-

possible for us to carry on our manufacturing operations.

The second very important consideration has to do with the availability of sales and service facilities required to serve the owners, the users of these vehicles in the manner in which they expect to be served, and to assure the service, the skills of the parts and so forth that are required [fol. 575] to maintain those cars in operation.

The franchise system goes back to the very beginning of the industry. And based upon my experience in the business, dating back to 1927, plus what I know from the history of the activity, we believe that, and it is my firm conviction—as it is my associates' in General Motors—that the franchise system, the three-part relationship between the manufacturer, the authorized dealer and the customer, is the most efficient and the most logical way to handle the product.

[fol. 576-577] We feel beyond this it has played a very important part in the growth and development of not only the automobile industry but the general economy of the country as well.

The Court: May I ask a question?

When was the beginning of the franchise idea, do you remember?

You have learned it, I am sure, since you have been in the business.

The Witness: Yes, sir, your Honor, I can speak from two instances that I know of of my own personal experience. I know of two individuals and companies who had franchises going back to 1905. The first agreement was in 1905.

The Court: What were they, by the way?

The Witness: They were Cadillac dealers. One was in New Haven, Connecticut, and the other one was in Bay City, Michigan.

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[fol. 578] By Mr. Mitchell:

Q. You speak about the need for service and parts availability because of the nature of the automobile.

Does this need have any relationship to sales?

A. It has a very definite relationship to sales because

unless our customers are going to be happy with their products, I don't think we could expect to retain them as customers.

An automobile, of course, is a mechanical product and as much as we try to build in them maximum reliability and quality, being mechanical products they do require from time to time adjustments and repairs that come from age and use.

So unless we had the facilities to provide repair parts, skilled people that were necessary to service those cars, we just couldn't expect our customers to come back and buy from us again.

Of course, in dealing with automobiles, we are dealing with a product that is perishable over a period of years. The average person who buys a new car will purchase a car perhaps every three and a half years, on the average. So that means we have a very important stake in the continued patronage of everybody who buys one of our cars or to whom we can sell one of our cars for the first time.

Assuming that that individual is happy with the product [fol. 579] and assuming, based on the average for the industry, that that individual is going to follow the pattern and buy new cars periodically, if he has received satisfaction our experience is he comes back and buys another Chevrolet or other General Motors product, so much so, in fact, in the average throughout our corporation approximately 70 per cent of our business today is from repeat customers.

Q Does this provision of service and parts availability have anything to do with repeat customers?

A. It has a great deal to do with repeat customers.

The Court: As well as non-repeat.

The Witness: As well as non-repeat, that is right.

We feel, your Honor, that it has so much to do with the non-repeat customers, as well as the repeat customers, that we operate in the United States in strategic locations across the country 30 different training centers, which are used for the purpose of training dealer personnel in service, in parts, and in new and used car merchandising.

At these training centers they conduct regular classes

whereby dealers in the area can send in their mechanics for training and the latest methods in servicing our particular product.

This year we are starting—we are holding and had in Los Angeles just last week the tenth anniversary of our training center which is located in this area. I think that [fol. 580] is indicative of our interest in our customers, as well as the importance that we attach to having these service facilities and these skills available to serve our customers.

Q Does the increasing complexity of the motor car, with the automatic shift and the power brakes and fancy springs, does that have any place in this training program?

A. It has a very great place in the training program. Going back over the years, the addition of automatic devices and accessories, optional equipment in the automobile business has been tremendous.

In the early days, comparatively speaking, going back into the late '20's, early '30's, the automobile was, as compared to today, a very simple device.

However, with the improvements that have been made, the improvements in the engines, with the addition of cylinders to the engines, multiple cylinders, and the addition of automatic transmissions, power steering, power brakes, air conditioning, automatic window lifts, automatic vents, has greatly—

The Court: Don't overlook automatic chokes.

The Witness: And automatic chokes, yes. —automatic chokes, have greatly increased the complexity and the need for different skills, the need for highly specialized craftsmen, service employees in our dealerships, who are capable of coping with the problems that can arise in [fol. 581] the use of these various devices.

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[fols. 582-583] By Mr. Mitchell:

Q. Speaking about the 30 service centers that you maintain about the country for the training of dealers' service personnel, what kind of magnitude of investment do you have in those centers? What does it amount to?

A. We have a very substantial investment in these

centers. I can't give you the exact figures at the moment, but the last time that I had anything to do with it, which was about a year ago, we had over thirty million dollars invested in them.

Q. What type of buildings are these, garages, or what are they?

A. No, they are specially designed buildings that follow a uniform pattern. Each one of our car divisions has its own class room in the training center. There is also an auditorium and conference room. And, of course, some service area in which is installed specialized equipment, such as would be used by General Motors dealers.

The mechanics from the general dealerships come in and attend classes in the class rooms. And then they would go out into the other areas and experiment and practice and be trained in the use of the specialized equipment and tools required to service our product.

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[fol. 584] Q. Does the complexity of this automobile have any impact on the dealer's need for tools, expensive tools—I don't mean just monkey wrenches.

A. Yes. The complexity of our vehicles today has a great deal of effect on special tools that are required to provide adequate service. So much so, in fact, that with the introduction of new models each year where there are substantial changes in any of the mechanical components, special tools are designed to facilitate the servicing of these changes, so that the change can be accomplished at a minimum of time, and of course a minimum cost to the customer, as well.

This complement of tools is then made available to all [fol. 585] of our dealers. And in most cases these dealers would purchase these tools so as to have them available even before they receive any of the new models.

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The Court: What generally would you say the average agency in Los Angeles, in this area—let's take one about in the medium line. How much in tools would you say,

just as an estimate, they would have to have invested at any one time?

The Witness: It depends, of course, a little bit, your Honor, on how you would define tools. But taking a broad—

The Court: I am speaking now of tools, everything from balancing wheels, automatic equipment to weight, jacks, hydraulic equipment, everything.

The Witness: I would say that on an average in an average dealer in the Los Angeles metropolitan area, he would have approximately twenty to twenty-five thousand dollars invested in what you could call specialized tools.

The Court: All right.

By Mr. Mitchell:

Q. Now, in connection with the nature of the auto-
[fol. 586] mobile as a mobile product, what would you say about the need for General Motors providing somehow a means of the customer getting service and parts, not only close to home, but on a national basis?

A. Well, of course, the availability of service and parts on a national basis is a very important part of our overall system, because our people do travel, our customers do travel. And unless we had a network of service stations that is available to service them in cases of emergency, they could be in very serious difficulty.

So our service stations, our dealer service station departments have actually that important responsibility, as well as the responsibility for keeping these cars in safe operating condition.

As I mentioned earlier, we are dealing with a mobile product. The safe operation of that product is important to the individual who owns it, and of course, because he is responsible for it.

But beyond that, it also has a great responsibility to the community at large, because many people, in the course and operation of that product, are going to be exposed to it, in the safe operation of that product; as well as the safe mechanical operation of it is, of course, of paramount importance.

And we, of course, have to look to our authorized [fol. 587] dealers to provide that kind of service.

Q. Dealing further with the nature of the product that you are selling, is there a problem on the automobile about year-around selling? I would like to have you develop that a little bit for the court, and why there is a problem, and what its relationship is to the need for a stable dealership organization.

A. Well, there are very important problems with respect to year-around selling, because we have at Chevrolet, and General Motors as well as others in the automobile industry, a large number of employees.

[fol. 588] We also depend to a great extent on our suppliers to, in turn, have large numbers of employees, and these employees expect to work on as close to a full-time basis around the calendar months every year as is possible.

So we have to have an outlet for our products. We have to have a system which will provide for an orderly flow of our products from our plant to our dealer organizations on a basis where they can be sold, be accepted first and then sold over the full period of the year. This is most important. We spend a great deal of time on this particular subject, because like many other businesses we are subject to certain seasonal fluctuations. We have to try to coordinate our activities so as to maintain an even flow of employment, an even flow of our products and keep our vehicles on the basis where they will be sold each month of the year.

Q. Well, you have of course, annual model changes on each of these lines of vehicles?

A. That is right. The automobile industry is geared to an annual model change. In each one of these changes of product we attempt to improve the reliability, performance and the dependability, the value of our products.

Q. Does that result in any peaks and valleys that you have to rely upon the authorized dealer to see you through?

[fol. 589] A. Well, very definitely. Of course, we rely upon the authorized dealer to sell our products that we produce, because, with the exception of the United States

Government on a very limited basis, we sell all of our products to our franchise dealers. We have no other source of outlet for those products.

We do have seasonal peaks and valleys. Our objective, of course, is to build cars over a period of months which will fill those peaks and valleys and level off as much as is possible the employment and our production programs in our plants so we meet the demand in the field as it occurs.

Here, of course, is where a franchise dealer plays a very important part because, for example, in the winter months in most sections of the United States—you don't have that problem out here in California, but back East we have the very real problem of severe winter weather and we have to keep operating and do keep operating during those periods. But we have our established dealer organizations who accept and inventories and stores these cars in anticipation of the so-called spring peak which will eventually develop.

So our franchise system of distribution gives us that protection, gives the customer, our customers that protection, in having these cars available when they need them. [fol. 590] Beyond that we have certain seasons of the year that are affected by different circumstances. For example, the period around announcement day when the car is brand-new and it is fresh and newly styled perhaps and incorporates many improvements, then cars relatively are in greater demand in relation to the supply at that time of the year than they would be as we approach the closing months of production, in anticipation of a model change-over to start production of the new model.

Generally that period starts along in the first part of July. We finish production maybe up to the first, the middle of July, looking forward to starting our new model production.

This is what we call the cleanup period in the industry and, of course, the general public is pretty sophisticated, they know new models are coming and items appear in the press on occasion which purport to describe the new models in quite some detail. So, of course, it becomes a relatively tougher job to go out and sell cars, say for the

months of June, July, August and September, than it would be at new model time.

All of these things have to be comprehended and have to be included in whatever kind of merchandising program will do the job.

[fol. 591] Q. Well, how does the franchise dealer help see you through this valley of July, August and September?

A. Well, again he is our sole source of—he is our sole customer and he takes the products the we build. He takes the products on the build-out, as we call it, the last few months perhaps of our production, on the same basis that he takes them during the earlier months of production.

Then with his sales force, with the sales facilities that he has, the merchandising organization that he has, he goes out and merchandises and sells these cars, all of them, hopefully, or at least most of them before the official announcement date of the new model.

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The Court: I take it it is the same as in any business where you have a permanent salesman who has had experience and a long list of customers, he gives assistance in calling up those old customers and trying to make trades, which is a valuable service, isn't it?

The Witness: It is a very invaluable service, your Honor, and that is exactly what our dealers have. They do have a sales force, and in most dealerships—certainly, in all of the larger ones—they have the sales managers and skilled sales management direction, and these sales-[fol. 592] men are working at all times to try to sell Chevrolet products.

But their job becomes increasingly important the more difficult the sales job is. A difficult sales job could be caused by model change, pending model change. It could be caused by economic conditions. In our business we attract customers from—in two different ways, primarily. We spend a great deal of money advertising and promoting our products, both on a national basis and at the local level in the dealerships.

We expect that as a result of this advertising and promotional activities we will attract a certain floor traffic, as we call it, a certain flow of interested people who will be inspired by the advertising to come in and look at the product, and expose themselves to some selling effort on the part of the dealer.

We get many prospects this way, but by no means all of them, and the balance of the customers that we need have to be developed by salesmen who, in effect, go out and ring doorbells, as we say, and make contacts on customers, write letters, make telephone calls, do all the other things that a salesman of any product would do to attempt to generate business.

The Court: When you change over to a new model, what, if any, benefits do you get out of an agency as to mistakes? I take it you do make mistakes when you change [fol. 593] over sometimes?

The Witness: You are talking about mechanical mistakes, your Honor?

The Court: Any kind of mistakes. You put out a new model, like a few years ago you gave us the air support, do you remember that?

The Witness: Yes, sir.

The Court: Or would you rather forget it?

The Witness: I would rather forget it. But I remember it very well.

The Court: Such as that.

The Witness: I think, your Honor, first of all, we do attempt to rectify whatever mistakes we make.

The Court: I understand. What I am talking about is what is the relationship of the agency in assisting in bringing about a riveting of that situation?

The Witness: It is a very important step in our system because the agency is the—the dealership is the first person to know about these mistakes.

A particular product or part can fail in the hands of the customer. The logical place for him to take that failure is back to the dealer from who he bought it and that is, your Honor what he does.

The Court: Where you have, for example, a problem such as I mentioned a while ago that becomes sort of a

[fol. 594] wholesale problem, that comes in from all over the country, doesn't it?

The Witness: That is right. We get reports from all our dealers across the country on a problem such as that, generally.

That particular problem you described was, of course, a universal one. Occasionally, however, we will have other problems which will be specialized or confined maybe to certain areas.

For example, the Rocky Mountain area where we may have altitude problems with an engine or carburetion. Or we may have, in the extreme northern parts of the country we may have carburetor icing or something that has to do only with very severe winter conditions.

But whatever those problems are our dealers notify us and, of course, we immediately move in and try to correct them.

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[fol. 595] By Mr. Mitchell:

Q. Tell me what about this motor vehicle creates a problem in respect of satisfying public fancy on these changes which the franchise dealer helps you solve?

A. Well, I think that it is quite obvious that we strive to win the public endorsement, or fancy, as you say, for all of our products.

So all of our activities, in connection with the operation of our business, and especially the annual model change, are designed to try to give the customer what we think they like to have in our products, performance-wise, appearance-wise, comfort-wise, dependability, and so on.

And in this area we depend a great deal upon our franchise dealers to counsel with us, and to give us the benefit of their firing line experience as to what the customers want.

[fol. 596] And so we work very closely with our dealers through meetings, counseling meetings, zone meetings and division and even at a corporation level, with all our dealers in an attempt to explore and identify what the customer wants, and then what we, as manufacturers, can do with our products, designing them that way.

The liaison between the dealer and ourselves is most important in this regard.

Q. Well, suppose you get out a problem model, or you have a problem. You mentioned to me the problem created some years ago by the change in design, or type of cars made by Buick, Olds and Pontiac. And what I would like to have you do is tell the court what part your franchise dealer plays in seeing you through the bad times of a model change.

A. Well, the problem to which you refer was primarily a problem created by a shift in the market, I think. As you will recall, back in 1957—perhaps the latter part of 1956, certainly in 1957—there was a rather decided change in the type of cars which were being sold. That was the advent of the so-called invasion of imports, looking towards the smaller car. And these cars were being brought into the country for almost the first time in any quantity.

Our Buick, Olds and Pontiac Divisions at that time [fol. 597] were operating on what we called a medium price market. That market was the most heavily affected by the smaller cars, with the result that the volume of business in that market—and because these three divisions, Buick, Olds and Pontiac, were operating almost exclusively in this price area—their business was very drastically affected, and their production of sales fell off very severely.

This, of course, presented some very serious problems for us, from the standpoint of operating these three different important divisions.

It represented some very important problems for the dealers, because if our contribution fell off, their business did, too.

And it also presented some very important problems for the owner of these products, and we had millions of owners of these cars in the field. And unless something could be done that would stabilize that condition, these owners' investments could have been very adversely affected.

In times such as this there is certainly no substitute for a loyal, dependable franchise dealer organization. And

thank goodness that is what we had in these three divisions.

We knew what the problems were. They knew what the problems were. We knew that we enjoyed their confidence. We knew that we enjoyed their loyalty. And they in turn respected our judgment and our ability and what we—what they thought we were going to do to attempt to put the business back on an even keel.

As the result, and with their cooperation we were able to come through that period with these three very fine divisions.

We had to make a very important product realignment to meet the new competitive situation in these markets, which we did.

In the automobile business you can't turn around overnight, and we couldn't. And neither could our competitors in that period of time.

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[fol. 601] Q. Did you ever try the system of letting dealers appoint subdealers or, expressing it differently, to sell to the distributors and let the distributors appoint dealers?

A. Yes, we have tried that. In the early days of the [fol. 602] automobile industry, going back now to the very earliest days, the distributor system of distribution was the common method used by us and by all other manufacturers.

That was a system whereby a distributor, so-called, would take the franchise agreement, for a state, for example, and he would assume the responsibility for distributing these products within his state.

Then it would be his responsibility to appoint the dealers in whatever areas in the state he felt they could be advantageously employed to help him in this job. In that capacity then, of course, the contractual relationship was between the dealer and the distributor, in the case of their relationship, and, of course, between the distributor and the manufacturer, in their relationship with us.

That system persisted for a number of years, but as the

automobile business grew the industry became more complicated. We encountered new and different distribution systems. It became quite obvious that we could not have a middle man, so to speak, in between a large number of our outlets and ourselves as a manufacturer.

So as a result of that, over a period of years, distributor systems of distribution were gradually changed over.

The distributors who both sold at retail and distributed to other sellers were eliminated as such and they continued, in virtually all cases, selling cars at retail and performing the ordinary functions of a dealership. But the distributor system gave way to what we call today in General Motors a zone office, that type of distribution.

By that system we mean that the franchise relationship, the selling agreement will be directly between us, as a manufacturer, and each individual dealer. All of our divisions in General Motors at the present present time are on this system, with the exception of Cadillac which is on a part distributor and part zone office system.

The Cadillac distributorship, to my knowledge, is the last one in the industry and will cease to function as a distributor on October 31st, 1965, at which time Cadillac will have accomplished a complete change-over to a zone system of distribution.

We regard this personal relationship with each dealer so important that we think that the zone system is the only basis on which we can operate in today's modern market.

Q. What do you mean by "zone system," Mr. Roche?

A. A zone system means we will set up a zone office in a community such as Los Angeles or San Francisco or Kansas City, which will be staffed by corporation employees, who will have the responsibility for working with [fol. 604] enfranchised dealers in these areas in the distribution of Chevrolets, in the case of Chevrolet passenger cars, trucks and parts and accessories, as well as working with the dealers on merchandising problems in connection with these activities, and also to provide service and parts facilities as required to work with the dealers, to assure the availability of the parts and service activities

needed to take care of our owners in the particular community.

Q. So that the court will see your corporate or divisional structure—we will take Chevrolet—you will have a general sales manager of Chevrolet, who at this time in 1960 was Mr. Kenneth E. Staley, right?

A. That is right.

Q. And then you have two assistant sales managers of Chevrolet, or did, one for the East and one for the West, and to identify the man in relation to this problem we have here, the assistant general sales manager of Chevrolet at the time here in question was Lewell N. Mays.

A. That is correct.

Q. Then you have a regional sales manager, who at the time of this problem, was Roy Cash.

A. That is correct.

Q. His headquarters in Oakland.

A. In Oakland.

Q. Then you had a zone manager in Los Angeles, who [fol. 605] at this time was Mr. Robert M. O'Connor.

A. That is correct.

Q. And then under the zone manager, he would have district managers, right?

A. City managers, district managers, service managers, business managers, sales promotion managers.

Q. All of these are Chevrolet employees?

A. Yes, they are all Chevrolet employees.

Q. And they work directly with these franchise dealers?

A. They have no other responsibilities than to work with the franchise dealers in the zone to which they are attached.

Q. To maximize the sale of Chevrolets?

A. To sell all the Chevrolet cars and vehicles we can and sell all the Chevrolet parts and accessories and to take the best possible care of Chevrolet owners. That is the function of a zone office.

Q. Do you have an owner relation program in Chevrolet?

A. We have a very extensive owner relation program in Chevrolet and in the other divisions of General Motors Corporation. We feel very strongly on the subject of owner relations.

Q. The purpose of which is to do what?

A. The purpose of which is to insure the highest [fol. 606] degree or owner satisfaction that it is possible to achieve.

Our owner relations activity is one to which we have given a great deal of attention. We have a separate organization in each of our divisions who have the sole responsibility of handling this important problem.

These people go out into the field and work with our zone people, work with our dealers in an attempt to improve the efficiency with which we can carry on this activity.

[fol. 607] By Mr. Mitchell:

Q. You are dependent on your dealers to contact the public in respect to this owner relation?

A. Yes, we do. But we go even beyond that, because as a part of our owner relation activity, for example, we go out in the field regularly and select owners at random and invite them in to sort of a roundtable luncheon discussion. And in fact ask them to criticize the service, the product, the treatment that they may be receiving in connection with their ownership of, we will say, Chevrolet cars.

In other words, we encourage them to take their hair down and tell us what is on their minds, with the viewpoint that if we can find out, determine what we are doing that isn't right, then we, together with the dealers, can bring about the resolution of the problems.

Q. Now, there is one other thing that I haven't asked you about, and I would like to describe—have you describe this at a later time. But the nature of the product also brings about a need for a level flow of manufacturing?

A. Very definitely.

Q. And—

A. That is really of great importance.

Q. And does the franchise dealer aid you in making [fol. 608] possible this level flow?

A. We could not accomplish the level flow without the franchise dealers' participation.

Q. Yes. Well, I would like to have you deal with that a little later.

Now, because of these problems arising out of the nature of the product, and your dependence on the franchise dealers, do you feel—or is it your judgment—that you need a stable dealer organization?

A. Very definitely. We need a stable dealer organization because the success of General Motors, the success of our activity depends to a great extent on the stability of our organization, as well as the continuity of our dealer organizations.

And unless we had both stability and continuity we would be in very serious difficulty. And not only is this true in my opinion—if I may express it, but I think that the general economy of the country as well.

Q. Why don't you just sell to anybody that wants to retail your cars? I suppose a person that makes common pins will sell to anybody that wants to resell them. Why don't you just sell your cars to anybody that wants to resell them?

A. Well, No. 1, we are dealing, as mentioned before, with a very expensive product. And everybody could not [fol. 609] afford to invest in the inventory required to merchandise cars such as ours.

But the most important reason, in my opinion, is that these cars are just not like groceries, for example, or articles of clothing, or many of the other things commonly merchandised that way, where they are sold generally through a large number of operations.

We depend upon an organization who is going to help us in determining the market conditions under economic conditions that exist in their areas, to help us in planning our production schedule.

We feel that we have to have an organization that will assume some responsibility in connection with the sale of these products, which will enhance the reputation of the products, as well as the individual business, and a group of people who are going to be with us through thick and thin.

So that if we have what we call in our business a hot model, or a medium model, or perhaps a model that would not be acceptable to the—

The Court: May I ask a question? How much information do you, generally speaking, obtain from your dealers

when you start to plan your new program, your new models? Do you use them in any way?

The Witness: We use them, your Honor, to check [fols. 610-614] their opinions, as reflected by the customers with whom they are dealing as to what they would like to have in our products.

The Court: How about as an estimate of the number of cars you are going to manufacture? Do the dealers in anyway supply you any information in that regard?

The Witness: Yes, your Honor, they do. They supply us with a forecast of requirements, as we call it. They provide us with a forecast of requirements for the current, and the next three ensuing months.

That is one factor that we use in determining our production schedule, an important one—

The Court: I take it then that material is then assembled and completed?

The Witness: That is correct.

The Court: Worked out on a mathematical basis to help determine what the prospects would be for the new year?

The Witness: Yes, that's right.

We—this information was provided on a monthly basis with—from each dealer to the zone office. The zone office consolidates the estimates of all dealers and forwards it to the central office in Detroit, the central division office.

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[fol. 615] By Mr. Mitchell:

Q. Before the luncheon recess, Mr. Roche, we had spent some time dealing with what kind of product the corporation is selling and what the—why that kind of a product needs in its merchandising a stable dealership organization, and you recited various reasons.

I would like you to tell the court how you go about providing for this desired stable dealer organization and for services and parts facilities that enable you, as you described this morning, to further the goodwill of the product.

A. Well, first, the objectives of General Motors and the Chevrolet Division, as with any other company, is to sell as many of our products as we can. So our distribu-

tion system, the plan under which we operate, is designed to accommodate that very important objective.

[fol. 616] That, of course, entails many different things. Obviously, again if we are going to sell the maximum number of products we have to be sure that we are in a position to give good service to our customers.

In the automotive field, dealing with mobile products as we do, the work of a sales organization, No. 1, is to create the owner population which will give us that volume, and then, secondly, to have a service organization which will be capable of servicing the needs of our owners to keep those products operative, which are, of course, questions of paramount importance.

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[fol. 617] Q. I would like you to explain that in detail so the court will clearly understand what you have told me so many times.

A. The appointment of dealers starts with the cities [fol. 618] and the towns across the country, where we have only a single dealer in a town or a community. Obviously, it is not very much of a problem. We either have potential to support a dealer in that area or we can dual with another line and provide the service and the sale outlets that we need.

Q. What do you mean "dual with another line"?

A. Another General Motors line, or maybe Chevrolet and Pontiac would be sold together, or Chevrolet and Cadillac, as the case might be, in a particular town.

Q. And what do you mean by the potential to support a dealer?

A. The potential, gross profit which would result from the sale of the cars and the parts and accessories and the service, that would go with the dealership, and which would leave the dealer, as the owner of the business, a margin of profit sufficient to justify investment of his capital, his time and his ability in the enterprise.

Q. What do you care if he has a potential or not and make a profit or not?

A. Well, if he can't make—if there is no hope for making a profit we cannot attract the type of merchants that we seek, No. 1.

And, secondly, even if we could attract people who would go into the enterprises, if there were not a profit [fol. 619] potential and they should lose money or not make a sufficient return, they wouldn't stay with us very long, with the result that we would not have a continuity of operation and association that we feel is essential to the successful conduct of our business.

Q. Now, you were telling me that starting in the smaller towns where there was need for one dealer there is a profit potential that would enable only one dealer to survive there, and I interrupted you. I would like you to go on.

A. Fine. The problem becomes quite different when we move into a metropolitan area where more than one dealer is required to satisfy the sales and service requirements of our business.

But again the problem is similar in the respect that we still have to have a reasonable business opportunity, a reasonable potential for a profit, the profit incentive, or whatever you want to call it, to justify the interest of the person who is going to be a dealer.

For that reason it is our practice to make very careful studies of metropolitan areas or those—of markets, for that matter, but more importantly in the metropolitan areas, to make certain that when we do set up a dealership we do so with these two very important objectives in mind.

One is to provide the sales and service facilities that [fol. 620] we need, and, secondly, to provide a profit opportunity for the individual that we want to be the dealer. We endeavor to recruit dealers who will be men of experience, men of integrity, men who will be capable and men who can go in and sell our products on such a basis as will make for continual sales, increasing sales, and who will work with the customers in the area to insure them the proper service and attention that they need so they will receive maximum satisfaction from the use of our products.

Q. Now, when you speak of proper service or the service they need, do you pay any attention to the geographical location of this dealer in respect to the location of his customers?

A. We pay a great deal of attention to the geographical location of the dealership, because we have to determine that in the geographical location area of responsibility, as it is defined in our selling agreement, will provide the profit incentive, the hope of a profit return to justify the interest of the individual who is going to operate the dealership, own the dealership and operate it, as well as to place this dealer in a location where he will be exposed to a reasonable section of the market and where he will be conveniently located from the standpoint of being able to serve the customers in that particular area.

[fol. 621] The Witness: The area, the location problem is one with which we are continually working. That is a most important part of our over-all distribution system.

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[fol. 622] Q. Now, Mr. Roche, let me show you Defendant General Motors' Exhibit A, which is a map showing in blue the locations of the Chevrolet dealers.

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Q. And for the most part, I notice that the blue dots, which are for the Chevrolet dealers, are spaced.

A. They are spaced pretty generally throughout the metropolitan area.

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[fol. 623] Q. Is that by accident, or haphazard, that they are so spaced?

A. No, sir. That is purely by design, and very intentional to place these dealers in the location where in our experience the market potential indicates that they are needed to sell Chevrolet cars, vehicles and service.

The Court: The—I don't see the legend here, the red marks are what?

Mr. Mitchell: They are the discount houses.

The Court: And the blue marks are the Chevrolet dealers?

Mr. Mitchell: Yes, sir.

Q. Why don't you just, while you are locating Chevrolet dealers, if you have a fellow that you think has the integrity and the capacity to sell, why don't you just put him down the street from another dealer? What do you care where they are spaced?

A. Well, we care a great deal about where they are spaced, because when we get back to the necessity for maintaining stability of a dealer operation, continuity of a dealer operation, if we placed all the dealers together, if we put them all in a couple of blocks on the same street, for example, we would not be accomplishing our objective [fols. 624-626] of serving our customers, No. 1.

And then we would be defeating the objective of having the proper service location for giving to our customers the service they require, No. 2.

And, thirdly, it would result in such a dilution of the available business for these particular dealers who would be spaced so closely together that it would be virtually impossible for both of them—or whatever number might be involved—to make a return that would keep them in the business.

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[fol. 627] Q. What kind of an investment are dealers expected to make in this Los Angeles metropolitan area, in return for this sort of a potential to make a profit?

A. Well—

Q. Or put it another way, what kind of investment do you expect from them?

A. The amount of investment that will be made by a dealer in this area will, of course, depend primarily on the planning potential of this particular dealership.

I would say that the—that taking the Los Angeles metropolitan area as a whole, that the minimum investment would probably be somewhere around \$100,000.00, and it would range from that amount up to perhaps several millions of dollars, in order to accommodate the type of business that the individual was operating, and in order to meet the capital requirements which are very carefully spelled out before anybody is awarded a Chevrolet franchise, [fols. 628-629] to meet the capital requirements in our selling agreement.

So it would vary in individual cases. But it would vary in individual cases based on the size of the deal.

But the basic principles which would underlie the amount of capital required would be determined on exactly the same basis, or whatever the size of the franchise might be.

The Court: May I just inquire, what generally is the capital used for? Is that for building, equipment, tools, real estate?

The Witness: Your Honor, the capital requirements, as spelled out by us in establishing a dealership would be primarily the operating capital, the cash requirement that would be required to manage the business, the investment that he would be expected to have in receivables, the inventories of new and used cars and parts and accessories, and so on, the tools, the furniture, the fixtures, the office equipment and so forth, service trucks, things like that.

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[fol. 630] By Mr. Mitchell:

Q. How do you measure the amount of working capital required?

A. We measure the amount of working capital required on the basis of the cash requirements, which ordinarily are determined on the basis of, say, one month's operating expenses.

We would measure the receivables requirement on the basis of, for example, one month's sale plus parts and accessories and service to customers on a credit basis.

Q. Does a planning potential have something to do with that?

A. The planning potential would have something to do with determining what the sales volume was going to be and what the operating expenses of the business would be.

The new car inventory would be based upon 30 to 40 days' supply of cars, for example. Used car inventory requirements may be on a 30-day supply. Parts inventory perhaps on a three months' supply and fixed equipment, tools and so forth, based on a study of the shop requirements.

The real estate can be handled in any one of a number

of different ways. If a dealer is going to build his own [fol. 631] building, buy his own property and have it as a part of the business, of course that becomes an additional capital requirement over and above the operating capital.

However, in other cases dealers are successful in renting quarters or having somebody build for them as an investment and then leasing it back from them. Under those circumstances, of course, there would be no capital requirement for building purposes.

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[fol. 632] Q. Does your spacing of dealers have something to do with giving this man a profit potential?

A. It has a great deal to do with giving the man a profit potential, because if we were attempting to set up a dealer next door or a block away, for example, from an existing dealer and tried to attract the kind of investments that are required in this business, it would be an impossible task. We just couldn't do it.

The Court: One thing follows the other. In other words, to get a businessman that has a million dollars is not easy, is it?

The Witness: No, sir, that is a major program.

The Court: If he has worked hard enough and is smart enough to make a million dollars he is not anxious to throw it away.

The Witness: No.

The Court: Unless you can offer him—what you are saying is that unless you can offer him something that is going to attract income to his capital, a return on it, why, you know he will not linger very long with you. That is just plain common sense, isn't it?

[fols. 633-634] The Witness: That is very plain common sense. And beyond the amount of capital he is investing, I think we have to also consider the fact that if we are considering him for a dealer, he is an experienced man who is going to have to invest in addition to his capital his time and his ability, and what we have to offer a dealer, through our present plan of deciding and determining dealer locations, is a location from which he can operate in a competitive manner in a metropolitan area solely on

the basis of his ability to sell in competition with other dealers, to serve in competition with other dealers— and by other dealers I mean dealers handling Chevrolets or other General Motors cars, as the case may be, as well as those dealers handling competitive makes.

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[fol. 635] By Mr. Mitchell:

Q. Is it difficult to obtain good dealers?

A. Yes, it is very difficult to obtain good dealers. We go through quite a screening process before we appoint a dealer.

Q. Having obtained a good dealer, are you in a very big hurry to push him out if he makes some mistakes or perhaps even violates his Dealer Selling Agreement?

A. No, we are in no hurry to terminate dealers. As a matter of fact, we resort to termination only as a last resort. It is our policy to work with our dealers. We feel that their interests in a particular area are compatible with ours. We have a mutual interest in building customer goodwill, selling our product, taking good care of our customers, and we approach our dealer relations on that basis.

We have a very large field organization and we pay a great deal of attention to the problem of working with [fol. 636] the dealers in the pursuit of these common objectives. We go to great lengths to correct any differences of opinion or resolve any differences of opinion and bring about whatever changes might be required to make for a better over-all operation.

Q. Now, you speak about not putting another dealer in next door to a man that you located with a profit potential. Do you make any guarantee to a dealer that you will not locate another dealer in his neighborhood or elsewhere?

A. No, we make no guarantee to any dealer with respect to a location of other dealers. However, we do have, as part of our metropolitan area selling agreements, what we call a metropolitan area addendum.

By the provisions of this addendum we agree that there will be no change in location of any existing dealership at the time this is signed nor will there be any additional

dealers placed in the metropolitan area until after 60 days' notice has been given to all dealers in the area.

[fol. 637] By Mr. Mitchell:

Q. I believe you used the words "dealer points" there, don't you, in your addendum?

A. Dealer point, that's right.

Q. So that during that sixty days that gives the dealer whose area is being invaded, if he thinks it is, what kind of a chance?

A. Well, that gives all of the dealers in the metropolitan area who might feel that there was any phase of the proposed program that would create problems for them, an opportunity to state their position, or their belief on the proposed move for consideration, before the decision was finally executed.

Q. And who makes the decision?

A. Chevrolet, or General Motors makes the decision.

Q. And not the dealer?

A. And not the dealer. All we do is provide an opportunity for any dealer who might feel that he was aggrieved in any way to state his case before the decision became final.

Q. Now, the Los Angeles metropolitan area is defined in stipulation of facts No. 1 which is now in evidence. But you spoke about metropolitan areas. There are other metropolitan areas in the United States.

A. Yes, there are many metropolitan areas in the [fol. 638] United States.

Q. What is your definition, for the purposes of your franchise system, as to a metropolitan area?

A. Well, generally, a metropolitan area is where we require multiple dealer representations to do the sales and service job we think should be done.

Q. Is there a population basis for that?

A. No, not a strict population basis. But I would say that the, perhaps the minimum metropolitan area would be somewhere in the area of 50,000 population.

Q. You spoke, Mr. Roche, about making a study to determine where to locate these dealer points, both for the purpose of giving the dealer a proper profit potential, and for the purpose of having him so geographically located as to be able conveniently to serve the public. What kind

of a study did you make? Just describe that for the court. Was this a haphazard affair, or what is it, in some detail?

A. No, it is a very deailed study of many factors in a community.

Q. Do you have a department that is engaged in that sort of thing?

A. Yes, we have several departments that are engaged in this sort of activity.

First of all, each one of our car divisions has its own [fol. 639] department which engages in this activity.

And their purpose is to study continuously all of the areas and all of our markets in the United States to make certain that we are properly represented, that we don't have too few, we don't have too many dealers. We try to have the right number.

Q. The right number for what?

A. To provide maximum sales for Chevrolet products and General Motors products, and good service for our customers.

These survey teams are working continuously, as I mentioned. And they will formulate for divisional use, in the case of Chevrolet, Chevrolet use their recommendations and their suggestions as to moves that should be made in a particular metropolitan area.

These suggestions will, of course, be cleared through the zone and regional offices, finally have the approval of the Chevrolet central offices. And then they would be referred to the central office of General Motors for final approval.

In the central office of General Motors we maintain survey teams, as we call them, survey departments, statistical departments for making comparable studies independently of all of the car divisions.

[fol. 640] The recommendation then of the respective car divisions would be checked against the thinking of the General Motors central office survey activity. And then final approval, or disapproval, would be made, based on the facts that were developed, in conjunction with the surveys, and with the data that was developed.

Now, in studying these areas there are, of course, many, many factors which have to be considered. In our business we are fortunate in knowing, soon after the close of each month, exactly what the new car volume has been.

We know what we have sold. We know what our competitors have sold. We know whether or not our sales performance in a particular area is equal to the share that we are getting over-all.

We have the additional advantage—

Q. How do you know that?

A. As a result of statistical information registration service which is sold to us by the R. L. Polk Company, which is a statistical organization who accumulates and sells this registration data to us, and to the other automobile manufacturers, to insurance companies, to tire companies nationally, who also has reason for wanting the information to sell automotive products of one kind or another.

So we have this information and we can get it. We [fol. 641] have it year by year. We can get it month by month if we want it.

Then additionally, on an annual basis we, of course, have available to us a census, so to speak, of all of the car ownerships in a particular area, city or county, or block-by-block, if we want to get it on that basis.

So we know what kind of a vehicle population we have, what the service potential would be, and what the new car potential would be over a period of years.

In addition to all of this information, of course, we have to be concerned with other factors, such as the income data for the residents of the particular area, the plans for the development of the area. Is this going to be an area that is going to have an extensive suburban development, for example? Is it a metropolitan area? Is it going to have—is it going to be a new housing project? Is a new manufacturing plant going into the area? What is the highway program? What is the traffic flow going to be?

All of these things have to be consolidated and brought together to determine whether or not our representation is adequate to provide the volume of business and the care for owners that we expect.

Then after we have made this determination, we either [fol. 642] decide that it is or it isn't.

If we have decided that we need another dealership, then we have to be very much concerned about where are

we going to put it? Where can this dealership be put so that it will do this job that we are talking about, and will result in the proper opportunity for the individual that we expect to put in it? And at the same time to preserve the profit opportunities for our dealers in the other areas.

And of course by "profit opportunities," I mean exactly that. Nobody that takes a Chevrolet dealership—or any other General Motors dealership—has a guaranteed profit opportunity. He has an opportunity to earn, in a reasonable business location and a very highly competitive market, whatever kind of a return he needs to justify his risk of capital and time in the particular project.

[fol. 643] Q. Do you let your zone managers, for instance, or the zone manager in the Los Angeles metropolitan area determine how many more dealer outlets there shall be and where they shall be located?

A. No, we do not. We, of course, would listen to his recommendation and if the zone manager in Los Angeles or anywhere else had any ideas as to the revamping of our dealer structure, he, of course, would communicate those ideas to his superior.

Following this the divisional survey team would be brought into play, to check the zone manager's judgment against the facts that could be developed through this survey system that I have described.

The central office of the corporation is making similar studies regularly and eventually this, the different conclusions of these studies would be brought together for final determination, as to whether or not an additional location would be needed.

Q. Can the division itself make the final determination as to whether or not another location shall be permitted?

A. No, it cannot. It has to be approved by the central office of General Motors Corporation.

Q. Do you let your dealers out here determine whether they will have another location, shall we say?

[fol. 644] A. No, sir, we do not. We have a provision in our selling agreement which prevents, prohibits dealers setting up locations which are not approved by Chevrolet Division.

Q. Do you let the dealers make arrangements with somebody else to sell his cars for him at another location?

A. No, sir, we do not.

Q. How long has this been going on, this business of a careful survey in an attempt to make an intelligent geographical setup for your dealer system?

A. Well, in General Motors it has been going on for a long time. Again going back to the early days of the automobile industry, dealers were appointed on a rather haphazard basis, without too much consideration for some of the factors which I have enumerated.

Q. When was this that you are talking about?

A. I am talking about back in the '20's, late—up to the late '20's perhaps, because at that stage of the development and growth of the automobile industry we had not perfected what Mr. Sloan has described as the scientific approach in the development of the proper distribution structure.

It became quite evident in the late—particularly in the late '20's that the system that had been in use was no longer adequate. The dealer mortality rate was quite high. Dealers were having a great deal of difficulty in attracting [fol. 645] dealers and in many cases dealers didn't have adequate facilities and were not—

Q. You said the dealers were having difficulty in attracting dealers. You meant the manufacturer?

A. That is right. They were not properly organized and we had too many of them. As a matter of fact, at the end of '29 the industry had the largest number of dealers in all of the years it had been in business. If my memory serves me right, I think we had about 51,200 dealers in the automobile industry at that time.

Q. How many are there now?

A. There are about 33,000, including some foreign dealers. So, you see, there has been quite a change. Back in 1929 the volume, of course, was considerably less than it is now. We in General Motors began to become quite disturbed about this trend in the very late '20's and decided that something had to be done about it, to try to bring more stability, more reliability and greater continuity into operation of our dealerships.

So we started on a preliminary basis back in those days and the facts, the details regarding the dealers' operations were very skimpy, very sketchy. So, one of the first things

we did in an attempt to provide a solid basis, in fact, for some of the conclusions that we felt had to be made, was to develop a uniform accounting system which would [fol. 646] be used by dealers generally so that we could bring some semblance of order into their record-keeping, and so they would know what they were doing and we would know something about their operations.

So there was started back in the late '20's, as I have indicated, a uniform accounting system that was developed. The use of that accounting system was made a provision of our contract, selling agreement, and it continued to be so up until this time.

We got into the early '30's and our conclusions along this line, I think, were very much confirmed because, as we all remember, the depression set in and for the three years following 1929 our new car business dropped off almost two-thirds and the number of dealers who went broke or out of business represented almost one-third of the total.

So it was in this early '30's period that we decided that this area approach, this survey approach was the one which would give us the key to the problem, which was that it wasn't the number of dealers that we had, but it was the kind of dealers we had and where they were located and where there was a profit—a proper profit potential in a competitive market, where they could sell and service our products and make a return on the investment that was required.

Q. The right number in the right place was important [fols. 647-649] to you?

A. The right number in the right location is, of course, most important. So we started back in the early and middle '30's, and I think that we have continually since then perfected our techniques.

We have perfected and broadened the scope of the various factors that we use to determine the location and the number of dealers that we think we should have.

Out of all this has come a system that we are using today and have been using for quite some time and we feel that it is a very business-like, very realistic approach, which is based on facts and not speculation.

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[fol. 650] Q. What does the dealer who is a party to such a contract, what advantage does he have?

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[fol. 651] The Witness: Every Chevrolet dealer, every General Motors dealer, whether he is in a metropolitan area or wherever he may be located, but more particularly in a metropolitan area, is expected to sell his product, and does sell his product, and succeeds only to the extent that he can sell his product on a competitive basis with other dealers handling the same product, with other dealers handling competitive products in the same price range, and with essentially some of the same features and specifications, at least in print.

A Chevrolet dealer, or a General Motors dealer who has been selected and appointed for one of these particular locations in a metropolitan area has to do all of these [fol. 652] things. He enjoys only one advantage over his fellow Chevrolet dealers in the same community, and that is the proximity, or the closeness of his place of business, which is situated as nearly as possible to the center of the market that he is expected to cover, makes his location a more convenient place for a customer to purchase his car, makes it a more convenient place for the customer to take the car back for service.

Now, unless that dealer is competitive in every sense of the word, unless that dealer is equipped, and does render good service, the chances are that his customers will go somewhere else. And they have a wide choice.

By Mr. Mitchell:

Q. Do you place any restriction on where a customer may purchase his Chevrolet?

A. No.

Q. Or from whom?

A. There is absolutely no restriction on any Chevrolet customer as to where he purchases his car or where he takes it for service. That is entirely a matter for the free choice and decision of the individual Chevrolet owner.

Q. Is there any restriction on the price at which a dealer may sell, wherever he is, to any customer, or any

restriction upon the customer of a price at which he may [fol. 653] buy?

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[fols. 654-656] The Witness: No. Chevrolet does not impose any restrictions whatsoever with respect to the prices to which any product may be sold.

By Mr. Mitchell:

Q. By the dealer?

A. By the dealer.

Q. In or out of the contract?

A. In or out of the contract, it makes no difference.

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[fol. 657] Q. We have been talking about Section 6 of the terms and conditions, the location restrictions, the Dealer Selling Agreement, which is in evidence, and also has the paragraph 29 dealing with the farming out of merchandising obligations.

Why do you have a paragraph 29 with such a provision?

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The Witness: We regard our selling agreement with our dealers, I think, as a personal service agreement. The selection of a dealer to us is more important than the [fol. 658] amount of capital, for example, that he might have.

By Mr. Mitchell:

Q. You actually have a means of loaning dealers capital?

A. Yes, we do, which helps provide capital for people of ability who might not have a sufficient mount of money to take on the business with their own resources.

Our most important consideration is to find an aggressive individual who has experience in the automobile business, who knows how to sell cars, who knows how to take care of customers, who knows how to merchandise used cars, who knows how to run a service operation and in

whom we would have confidence that he would aggressively pursue the sale of our products in the area for which he was responsible.

The Court: Well, —excuse me.

The Witness: Obviously, if we were to have the type of an agreement whereby we would agree with such an individual and then have it possible for him to delegate these responsibilities to somebody else who might be less qualified, somebody who we might not even know, had no interest in, knew nothing about their qualifications, then certainly we would not have the kind of an operation that we envisioned at the time we entered into the agreement with this particular individual.

The Court: One of the things, I would assume, above all, that you would want is somebody you not had confidence in selling, but you had confidence in his reputation [fol. 659] and character.

The Witness: Integrity.

The Court: Honor and integrity. Wouldn't that be important?

The Witness: That would be most important. His honor, his business background and integrity and all are equally important to his ability to sell.

In other words, we seek a well rounded individual who will make a reputable representative for us, one who will bring credit to the sale of Chevrolet's name and General Motor's name, as well as to the reputation of his own company and his reputation as an individual in the community.

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[fol. 660] By Mr. Mitchell:

Q. Does a stable dealer organization provide for Chevrolet any aid in discharging manufacturer's responsibilities, such as latent, remedying latent defects, preventing failures which result in manufacturer liability, discharge of warranty liabilities, and if so, what aid does the stable dealer organization render in those respects?

A. Well, very definitely a stable and a capable well [fol. 661] trained dealer organization renders invaluable service on certain occasions where, for reasons beyond

everyone's control, a particular product problem might develop.

I know from first-hand experience of an example that we had when I was in Cadillac, for example, where had we not had the type of dealer organization that I am talking about, and where we had not been able to move very quickly on a product problem that was almost impossible to have determined in advance, that some very serious consequences could have resulted.

Q. I think it would be well if you would tell the court the problem, if you will, please.

A. Well, the problem was this: We had had introduced a new model and just gotten our production under way and we had a report on one of the first cars that was delivered to a customer in Arizona, that there had been a very serious failure of the lower suspension, the rear lower suspension control arm.

Fortunately, the driver of the car was not injured. We were unable to understand the reasons for this failure and we had the parts of this particular piece flown back to Detroit for analysis, and we could find nothing at all that would account for the failure. Any of the tests of the steel that was involved indicated that the steel was satisfactory and that there was just no reason for this kind of a failure.

[fol. 662] The Witness: We immediately tried to duplicate similar failures. I personally was in on many of these attempts in our proving grounds, over the roughest roads that we could find, at highest speeds we could go, over a very large bump in the road, and still keep the car, have the car come back on to its four wheels. And still no answer to this problem.

We had our research laboratories make detailed analyses of random sections of these parts. And again no conclusive result.

Finally we resorted to additional tests which were called draw-bar tests, which is a test of destruction of the part by pulling. And we finally found what we thought was the difficulty.

This was the "I" of the suspension arm which was made for us by a supplier house, who in turn had these "I's"

produced for him by another supplier, foundry heat-treating company over in the Chicago area.

We traced these back to the point where we had to analyze the operation of the heat-treating furnaces, sent our people over there, sent some of the supplier's people over there, the engineers, to make detailed studies of the operation of the furnaces during the time that they had been producing these parts.

We checked over the experiences and found that over [fol. 663] a certain period of time there had been a defect, a minor defect in one of the doors on this heat-treating furnace. And before this defect was fixed they had produced approximately 2,000 of these pieces.

As a result of having this information we could identify the dates, and when those pieces were assembled into cars. So that we knew at that point that we had 2,000 cars on the road that conceivably could have a similar problem.

We were able to identify very precisely those cars. We knew exactly where they were, where they went and we alerted every one of our dealers who had had one of these engine numbers, and got some new parts and sent these parts to the dealers, had the dealers call in all of these vehicles that were on the road and make the necessary changes to install the new parts and take out the parts that might—but not necessarily would—fail.

Now, were it not for an experienced, capable dealer organization, one with whom we had a very close liaison, one where we could very quickly, in an emergency situation such as that, reach these customers, the result could have been quite different.

But as it was we were able to reach these cars, make the necessary changes, and that was the end of the problem.

[fol. 664] By Mr. Mitchell:

Q. Now, what service does a stable franchise dealer organization provide for you in avoiding manufacturer's liability for failures?

A. Well, having a stable dealer organization, and again a dealer organization who have capable mechanics and the skilled help required to make the necessary service adjustments that are required, whether they be due to a warranty problem or whether they be due to an ordinary wear

and tear problem is of great assistance in reducing the potential liability which would be attached, were serious failures to occur in a car, in the absence of having such service available.

Q. What service does a stable dealer organization provide for you in discharging warranty responsibilities?

A. Well, a stable dealer organization, of course, would provide the means by which we can assume and satisfy all of our warranty requirements, insofar as our customers are concerned.

And that is the only means that we use of satisfying our warranty requirements.

The Court: I take it you have made replacements of parts, even after the warranty periods have run, haven't you?

The Witness: Yes, your Honor, we have.

[fol. 665] The Court: That is usually a procedure, I take it, that comes on recommendation of a dealer, does it?

The Witness: It would come through a recommendation of the dealer, together with our consideration of the reasons for the particular failure.

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The Court: You don't always go along with the dealer.

The Witness: No, we don't. But as I say, where we assume the responsibility beyond the warranty period, we would call that a policy adjustment.

The Court: Yes.

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[fol. 666] The Court: Now, I take it that the dealer situation reflects on the dealer trying to satisfy the customer, even to the extent of going beyond the technical terms of the warranty, is that right, in many cases?

The Witness: In many cases a dealer will do that. In many cases the dealer will make certain free adjustments or corrections for a customer which might not come in under our warranty policy.

The Court: I take it—

The Witness: The warranty policy.

The Court: I take it we can, as reasonable human

beings, assume that he is doing that with the hopes of making a future prospect out of that particular customer, is that right?

The Witness: That's right.

The Court: Renewing his business.

The Witness: He is doing that only as an investment [fols. 667-668] and the good will of that customer, in the hope of selling him another car, and retaining his service business.

As I mentioned, I think, earlier a very substantial percentage, 70 per cent of our business comes from repeat owners. And the loyalty of an owner to a dealer is important to the dealer, and it is just as important to the dealer as it is to us, as the manufacturer of the product.

So I think our dealers are very conscious of this tremendous asset that they have in customer loyalty, and that they will do many things, when a customer experiences unusual difficulties with his car, to try to work it out, either through the application of our warranty policy or through the combination of our warranty policies and whatever the dealer might like to invest in terms of money for retaining good will.

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[fol. 669] By Mr. Mitchell:

Q. You spoke earlier about a stable dealer organization aiding in the manufacturing process.

Briefly I would like to have you tell the court what service the stable dealer performs actually in the manufacturing process. By that I mean from design on through to the day that he takes delivery of the car.

A. Well, the dealer—the dealers perform a very important function with respect to all phases of our design and manufacturing processes.

First of all, with the exception of a very limited number of retail branches we discussed this morning, our principal source of information with respect to customer tastes and preferences, trends, and so forth, has to come from expressions from our dealer bodies, in the contact of our field men, field organization, and through other

channels of communication that we would have with our dealer group.

We operate in the automobile business, of course, a very complicated manufacturing organization. We deal—we are dealing with mechanical products, heavy products, heavy industry products, which require very complicated [fol. 670] and expensive tooling, jigs, fixtures, dies, presses, machinery and equipment, as well as manufacturing plants. All of this has to be integrated and we, of course, eventually have to build whatever the product is that has been designed.

We seek the counsel and the advice of our dealers, in trying to meet to the best of our ability the demands of the market place. These ideas that we get from the dealers then are coordinated with our own.

We have extensive engineering departments, we have styling departments, we have manufacturing, planning activities. All of these have to be brought together in our own organization before we can produce any cars.

Then beyond that we are dependent to a very large degree upon the components we purchase on the outside from suppliers of raw materials, suppliers of components, finished components that will eventually be assembled into the vehicle. This is a long complicated process, and we have to work on rather long lead times.

For example, it is not uncommon for us to start on a styling project maybe four to five years ahead of the time that we expect that to come into being, that particular model.

It is not uncommon to start four or five years on a mechanical improvement, new transmission or new engine or new steering arrangement or any of the new brakes, [fol. 671] or whatever the problem might be.

We have to work from the standpoint of long—these long lead times and we have to have and seek counsel and advice of everyone who can make a contribution in this area. Certainly, our dealers do that to a very great extent.

Then after we are in production and perhaps most importantly of all we are faced with the problem of how many of these vehicles are we going to produce, what are the volume potentials for what we—for these new models

we are going to bring out, and what are the potentials on an annual basis first.

We have to try to guess the market on an annual basis and then more realistically we have to try to guess the market on a week, 10-day period, monthly period, three- or four-month period to the best of our ability. I suppose it is in this area when we get—after the new model is launched and we have had the benefit of everybody's experience, when we get right up to the point where we are going to start producing, where we have an organization of many thousands of employees and have enlisted the aid of thousands of suppliers who, in turn, have thousands of employees, that from that point on the precision with which we can build these products to satisfy the market and maintain our operations with reasonable stability for our employees working, keep the employees of our suppliers and others employed that is really the crux of the situation.

[fol. 672] We have in General Motors built up over the years a very close liaison with our dealer organization. We get, first of all, from every dealer in the United States a ten-day report showing the number of new cars that he has sold by models, the number of new cars he still has on hand, the number of used cars that he has sold, the number of used cars he has on hand.

The Court: What do you mean, a ten-day report, every ten days?

The Witness: Yes, every ten days, the 10th and 20th and end of the month.

This statistical data is computed and totaled. It usually takes us about three days, three to four days after the end of each ten-day period to consolidate the information for all of our dealers in a particular division.

Even beyond that, that tells us then what the current situation is as of the last ten days, not only in the United States as a whole but in each dealer's area and each zone area and each regional area.

Beyond that we have the longer range problem, because we have to commit for materials a long time in advance. For example, we have to commit for steel in seven and a half to ten weeks in advance. We have to commit for aluminium nine weeks in advance. We have to commit for

lead six weeks in advance. We have to commit for copper [fol. 673] eight or nine weeks in advance.

The most difficult problem with which we have to deal is fabrics for our trim material. We have to commit 21 weeks in advance on trim material. The trim style, of course, changes every year and if we make a mistake it can be a very costly one, if we overbuy.

This means we have to plan our production with all of these limitations in mind. We can't just start it on Monday morning and stop it on Friday night and call it a day. We have to look out over a long range of time, so we have the additional liaison with our dealers who give us each month a forecast of their requirements for that month, plus the three ensuing months.

So we have—this is not a commitment to buy or take any number of cars. This is simply a forecast on the part of the dealer as to what he thinks he can sell in his particular area over that period of time.

These reports come in to—these forecasts come into our field offices around the country. They are consolidated and sent into the regional offices. From the regional offices they go into the central office of the various car divisions.

They are examined, studied in the light of known conditions and factors which might affect the market one way or another in planning. Perhaps in some cases it might be [fol. 674] beyond the dealer's comprehension, but they then, in turn, adjust these forecasts which then go on to the central office of the corporation who have the responsibility for further analysis and final determination, in conjunction with the division, as to what those schedules will be.

[fol. 675] The Witness: In the central office of the corporation, as a part of the distribution, our marketing staff activity.

There is quite an economist section who are continually studying these trends, as well as the general business conditions throughout the country, basic business trends on which long range plans can be made.

These facts, together with their appraisal of the market conditions then are brought to the central office scheduling committee, as we call it, who has the final

responsibility for approving or disapproving the schedules requested by the various car divisions.

The scheduling committee includes the chairman of the board, the president, the four executive vice presidents, and several vice presidents, including the vice president in charge of manufacture, the vice president in charge of the marketing staff, and the vice president in charge of personnel.

So that we bring all phases, we try to bring all phases of our operation together at one time to evaluate and, to the best of our ability, determine a realistic and practical production schedule, so that we will build the number of cars that are required to satisfy the demand, as we see it, for Chevrolets—and all other General Motors products.

[fol. 676] Now, without access to a means for taking the pulse, the real pulse of conditions in the field, which we do through our franchise dealer organizations, this kind of a system would be impossible, and it would greatly handicap our ability to maintain our manufacturing operation and our employment, or anything approaching a stable organization, even in spite of all of these precautions, for economic reasons and other frequent schedule changes can still be required.

But this job is made much simpler by us having access to the conditions as they exist in every dealership across the country, from the standpoint of measuring and trying to determine the current, as well as the next three or four months, status of the market in each community.

By Mr. Mitchell:

Q. Does the stable dealer organization that you strive for have any part to play in the matter of storage of these vehicles?

A. Well, it has a very important part to play in the storage of the vehicles because we, of course—and all other manufacturers, all other automobile manufacturers—do not have the space or the capital to provide storage facilities for large numbers of cars.

These vehicles have to be shipped as they are produced, in most cases. In our plant we would operate on [fol. 677] the basis of having about one and a half days' inventory in finished vehicles across the country in our

plants, which means virtually that this material has to flow in to the plant in the form of components or raw material, and out almost simultaneously in the form of finished products.

So the dealer carries the inventory of finished product beyond the two-week period, in our case, if the car is unsold.

[fol. 678] And we carry in our plant one and a half days' supply, plus much longer periods of supply for the basic materials, such as steel, aluminum, copper, glass, trim materials, things like that.

But the key to the situation, of course, is the finished product. And obviously in the quantities in which automobiles are built and sold there is no location on the part of any manufacturer that could accumulate much beyond this day and a half supply that I am talking about.

So the dealers, we are entirely dependent upon the dealer organization to take up this flow.

The Court: How much, just as an approximation—could you give me an approximation of how many cars would you say today are, Chevrolets, that are on the lots of the dealers in the metropolitan area involved in this case? Could you make a guess?

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[fol. 679] The Witness: Yes, I can probably give you a quick approximation. I would say probably somewhere in the neighborhood of 9,000 cars.

The Court: That is for the whole 85?

The Witness: For the whole 85, yes.

The Court: 9,000 cars. Let's make it round figures and say 9,000.

What kind of space—do you have any idea how much space that would take to store those cars?

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[fol. 680] The Witness: It would take 300 square feet of space for a car; it probably would not be too bad. That would mean that we could get 140 cars on an acre. So we would need about 80 acres.

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By Mr. Mitchell:

Q. And do these stable dealers also take off your hands the cars, purchasing them at the same time?

A. Not simultaneously—yes, they do purchase them at the same time. But we give them what we call 15 days free interest period in carrying the inventory for the first 15 days they would be in stock.

Q. But after 15 days you are paid?

A. No. Then they take title to the cars.

Q. And you are paid?

A. Yes.

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[fol. 681] Q. What does this ability to have this full production with the aid of a stable dealer organization mean to the car buying public?

A. Well, it means to the car buying public more value for their automobile dollar because if we did not have this stability, this ability to maintain this flow of cars into these organized channels of distribution, and were we to have to resort to some haphazard method for doing it, it would create manufacturing and distribution problems which could have only one result, and that would be to increase the price of cars to the customers.

Q. What does it mean to the national economy?

A. Well, it means a great deal to the national economy, because in the modern United States today—as well as many other important countries throughout the world—the automobile economy is perhaps the most important segment of the economy.

Today in the automobile industry one — or in the United States industry—one out of every six businesses is [fol. 682] automotive oriented.

We consume in the automobile industry a substantial portion of, a very substantial portion of the products of our industries. We consume, for example, 43 per cent of sheet steel. We consume 28 per cent of sheet copper. We consume 47 per cent of aluminum castings. We consume 37 per cent of lead. We consume 60 per cent of rubber, plus a very high percentage of glass.

And beyond that, the employment in the automotive

industry, plus other highway industries that serve the automobile needs of our people, account for one-seventh of all of the employees that are gainfully employed in the United States. And there are 11,000,000 people employed in these activities.

[fol. 683] So I think that anything which would serve to disrupt the automobile industry, the stability that we, together with the other manufacturers, have been able to bring into it over the years, as a result of the refinement of these processes which I have been discussing today, could have very serious repercussions on the business economy of the United States as we know it today.

Q. All right. Mr. Roche, when these dealers out here started selling cars in quantity through discount houses, you had to decide what to do, what, if anything, to do about it.

Why did you try to persuade the dealers to cease and desist this sort of thing?

A. Well, we decided to persuade the dealers to cease and desist because we regarded this type of merchandising as a very serious threat to our franchise system of distribution.

Q. All right. Why?

A. Because it could have only one result and that would be to destroy the stability liaison, the franchise dealer system of operation as it has been brought to its present state today.

Instead of that we would have had an utterly chaotic condition under which we would be building cars perhaps in one month to satisfy what apparently was a very large demand and when we got into another month, a few [fol. 684] months perhaps removed, we would find a situation where we would have no business at all.

Q. What did some dealers' use of discount houses have to do with this? They were still franchise dealers using these discount houses as outlets. What does that have to do with the problem you are talking about?

A. It would have a very serious effect on the problem because, as I recall the data, about 70 per cent of our dealers in the Los Angeles area were located within five miles of a discount house.

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Q. Let me show you Defendants' Exhibit BU. That is the exhibit you are referring to?

A. Yes.

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Q. What significance does that have in respect of these [fol. 685] problems which you are talking about?

A. Plenty.

Q. So there are discount houses located in the proximity of 70 per cent of the dealers?

A. Well, the discount houses are located in areas and in proximities, as compared with the dealer's location, in areas where we had not seen fit to appoint a dealer.

Q. Why didn't you appoint another dealer there?

A. Because we didn't feel that the area would support another dealer nor was the area required to sell—for sales or service to our customers in that area and that had we appointed dealers there, in line with our basic marketing plans and systems that we used to determine dealer location, that it could have had only one result and that would have been to have driven some of the existing dealers out of business because the area would not be productive enough to support both types of activities.

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[fol. 686] Q. In locating 21, which is Cone Brothers, I take it you attempt to locate him at a place where, in his neighborhood, he would have a profit potential?

A. That is correct.

Q. All right. So comes a dealer or dealers and sells cars through these points called 5, 11, 21 and 2, which I just related to the court.

What kind of a situation does that create, in your view, [fol. 687] in respect of the stable dealer organization at 21?

A. Well, I think it has a very serious effect with respect to the dealer location that we had selected after a great deal of thought and study, as to where it should be, because these two additional locations were going to dilute the normal market potential, which was available to this

established dealership, it would have many very adverse effects.

[fol. 688] The Witness: First of all, it would take business away, perhaps, from this particular dealer, to the point where the franchise would no longer be attractive to him. And if that were the case and he quit, then we would be left without a dealer in a location that we regarded as being a very, very important location.

Instead of that dealership, we would have two other locations who had no allegiance to us, two locations which we had no measure of influence whatsoever in how they promoted the sales of our product.

We would have two locations which had no allegiance to Chevrolet products because they would be selling other makes of cars as well. And if the customer even waived for any number of reasons, it would be a simple matter to divert him to some other, which of course wouldn't happen at a regular Chevrolet dealership.

Additionally, these other outlets, of course, had absolutely no service facilities, they carried no stock of genuine parts or accessories with which to service these vehicles, they had no responsibility whatsoever after the vehicle, after they had completed the transaction whereby the vehicle was sold.

Now, all of these liaison factors to which we attract such great significance, of course, would be completely lost with this type of operation.

[fol. 689] And they are dealing here, were dealing on the basis of being able to make sales as it was convenient for them to make them. They had absolutely no responsibility beyond the casual sale that they might be able to attract. They had no organized system for going out and doing constructive selling work in the line of developing prospects or customers for Chevrolet cars.

The Court: What you are saying is that they can't serve two masters at one time, is that right?

The Witness: That's right, your Honor.

The Court: And if the man there was not at least bound by a contract or loyalty, that he could say, I have a Chevrolet, I have a Plymouth, I have a Ford, take your choice. And whichever was the best deal for the man at the discount house would be the product he would sell?

The Witness: And that is exactly the way they did it, even going so far as to advertise that very choice and offering it to the motoring public in Los Angeles.

By Mr. Mitchell:

Q. Now, what if there were—the record here shows that there were 23 discount houses in the Los Angeles metropolitan area—this was back in 1960, with the thing still growing—what if dealers, by arrangement with these [fols. 690-691] discount houses, create 23 places in this area through which they can sell their cars, so that 59 out of the total of 85 Chevrolet dealers have one of these additional so-called outlets in the neighboring area of five miles. What do you think that does to your stable dealer organizations that you are depending on?

A. I think that if it continued that it would destroy the stable system of dealer operation which I have described and upon which the very foundation of our business is built.

Q. You mean it would go away entirely?

A. It would destroy the franchise system of distribution and stability that we now enjoy in the automobile industry.

Q. Why would it do that? Is everybody going to quit? Why do you think it would do that?

A. I think that this system of distribution with this proliferation, multiplicity of outlets that the franchise dealer would find his business so unattractive financially that he would get out of the business.

And then the automobile industry, or ourselves, would be left to the device of trying to develop individual customers, or markets, whatever they might be.

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[fol. 692]

June 18, 1964.

Direct Examination (Continued)

By Mr. Mitchell:

Q. At the close of yesterday's session, just prior to a discussion the court and counsel had with respect to the progress of the case, the number of witnesses, the court asked a question and our getting into the progress of the case used up the rest of the day, so you didn't have a chance to answer it.

But I would like to have you answer it now. The court's question was:

"Why wouldn't it develop that you get rid of the weak, say, out of 85 you would cut it down to say, 5 or 10 real strong Chevrolet dealers, and they would have all the discount houses working for them and you would sell just as many automobiles. What is your answer to that?"

A. My answer to that is it would have a very serious effect upon the business done by Chevrolet. I say that because we have determined the number of outlets required for this market after a very painstaking survey of the competitive conditions, economic factors, the geo-[fol. 693] graphic conditions and layout of the area and all the other factors that would lead to an intelligent decision.

But if we were to eliminate all but five to ten of our dealers and if we needed 85 outlets to provide the sales facilities or exposure to our products we think we need, it would mean, of course, we would need from 75 to 80 discount houses in addition to the five to ten dealers.

Whether or not those discount houses would be available, of course, leaving the other equities of the situation aside for the moment, is questionable, in my opinion.

Even if they were available, and for the sake of argument we would say they would provide sales facilities or sales outlets, the fact remains that they do not and would not have the service facilities, the parts available and the specialized tools and equipment that are required

to maintain our products in the hands of the owners and do the kind of a service job to insure the efficient economical operation of our cars in the hands of our customers.

Q. But suppose——

A. If——

Q. Suppose the five or ten dealers had service facilities?

A. The five or ten dealers' service facilities, obviously, would not be located in such a manner as to provide [fol. 694] convenient access for our customers in a market of this size. We think we need 85 and not five or ten to serve these customers.

I think that if we were to confine our authorized Chevrolet service stations to five or ten outlets in this area that we would have such a chaotic condition nobody could expect to get even a semblance of reasonable service for their products.

Q. Does such a system as the court was asking about, theoretically does it have any semblance to the old distributor system that was abandoned?

A. It very definitely, I think, would perhaps resemble closely that distributor system. But, of course, it wouldn't be as good as that distributor system.

I commented yesterday that in the early days of the automobile industry that manufacturers generally followed the distributor system of distribution, under which a distributor undertook the distribution of the product for a certain area and it was his responsibility to appoint the dealers.

Under those circumstances a distributor had a very close relationship in most cases with the outlets. One of the requirements of those outlets was to provide service facilities and stock parts and generally try to protect and maintain the goodwill of the products.

[fol. 695] As the industry grew, and as I pointed out yesterday, this system began to have very important drawbacks because the prime interest in the good name of the product, the prime interest in maximizing the sale of products, of course, was with the manufacturer. Yet the manufacturer was in the position of having no direct rela-

tionship with those dealers because their contract again was with the distributor.

For that reason and in order to build the very close relationship that we need in the automobile business the distributor system was abandoned and changed over to what we call the zone system of operation whereby each outlet has a selling agreement directly with the manufacturer. That system has been abandoned by everybody. The last distributor, to my knowledge,—last distributor system was with the Cadillac organization and that will terminate on October 31, 1965.

So if we had to go to this type of distribution system whereby we would have a few dealers, with a large number of discount houses, we would be in an even worse position than we were with the distributor system and, in effect, we would be adopting a modified and very much weakened system of distribution, distributor system, as compared with the one we had before, and if it my considered opinion it would not work.

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[fol. 696] The Court: In planning the dealerships, I take it from what you say, you take into consideration the distances for the purpose of convenience of repairs to customers? Is that what you are saying?

The Witness: Yes, your Honor, we do. Where the people live, the traffic flow and their traveling habits, and we try to place these dealerships in such a position that they will be easily accessible to the customers in the area for which they are responsible.

The Court: Let me ask you this: There is, I take it, no inflexible rule about the distances?

The Witness: No, the distances would vary from one place to another. . Of course, you need a body of customers, you need enough people living in an area to support a dealership and then you try to locate that dealership where the people can get to it very conveniently.

The Court: Then I take it what I understood you to say yesterday was that the service end of the business, while it may not be profitable to the dealer, you consider

[fol. 697] it of utmost importance to the distribution of the product, is that right?

The Witness: It is most important to the distribution of the product, your Honor, because the very goodwill of our products depends on the kind of service that is available to them.

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[fol. 698] The Court: Do you have a system of inspection of dealers involved? How is that done?

The Witness: Well, anybody who—anybody who writes to the central office of Chevrolet or to somebody in General Motors, we try to handle that complaint just as promptly as we can. We refer the complaint to our zone office, No. 1, who, in turn, takes it up with the dealer and endeavors to get the customer in and correct whatever the problem is.

If the dealer needs technical advice or needs assistance in working out a solution, the zone office is there to [fol. 699] help him. If the zone office can't get the answer, they can refer it back to the central office of the division and maybe even back to the engineer, if that might be required.

[fols. 700-701] The Witness. So we would work with this customer. And if the customer was not satisfied with the dealership, then he would be contacted by some representative from the zone office, and followed through to a conclusion where we thought that he was completely satisfied.

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[fol. 702] By Mr. Mitchell:

Q. Let's talk about the question of the court last night, and assuming the type of distribution plan that he did assume. What would the effect be on product loyalty, do you think?

The Court: On what?

Mr. Mitchell: On product loyalty, the sales people.

The Witness: I think it would have a very important effect on product loyalty, because the discount house type of outlet could not possibly have the same kind of loyalty

toward the product that the franchise dealer, whose main interest in life was the selling and servicing of that particular product.

[fol. 703] I think that the discount house type of operation would be inclined to follow the line of least resistance with a product.

I think that if we had a particularly attractive and popular automobile model for a year, for example, that they would sell Chevrolets—or whatever the other General Motors line might be.

If, on the other hand, Ford or Plymouth should have a particularly attractive model, as compared with Chevrolet, then I think they would gravitate toward that particular line, with the result that there would be no continuity, there would be no stability of our operation.

Beyond that I think that it would tend to concentrate on, certainly the most popular lines. And we have many models, we have many different lines of cars, some of which don't move as fast as the others, some of which require a lot of sales effort.

I think the tendency would be to veer away from that type of merchandise.

Most importantly, perhaps, I think we would have the problem of our truck operations, for example. In our truck sales we have a great multiplicity of models. In certain types of trucks, there are virtually no two trucks alike. And designing the specifications for certain truck models becomes almost an engineering assignment, take [fols. 704-706] the engines and transmissions and the axles, and of course vehicle weight, load factors and all of the other things that have to be considered.

So certainly a discount house could not, in my opinion, function to serve that kind of purpose.

And if we had the type of setup that we are discussing now with five or ten dealers, and depending on the rest of the discount houses to do this job, I don't think it could be done. And neither could the five or the ten dealers spread themselves thinly enough to do this job against the truck competition that we encounter today.

By Mr. Mitchell:

Q. Assuming the type of distribution system that the court mentioned last night, what about your warranty obligations?

A. Well, it would be almost impossible, of course, to discharge our warranty obligations with five or ten outlets—

[fol. 707] Q. Under the system described by the court last night, what about the customer and his used-car value? He uses used cars as a part of the purchase price, so he has to get a proper price for his used car or he pays more on the face of things for the car.

A. Yes. In the average sale of a motorcar today a very high percentage of the cars sold involve a trade-in of a used car, and, of course, the value of that trade-in becomes a most important factor in the mind of the customer, because the higher the resale value of that car, of his used car, the less he is going to have to pay to enjoy the ownership of a new car.

Now, if we would confine our operations to five to ten dealerships in this area, the volume of used-car trades that would be involved would be such that these dealers [fol. 708] just physically couldn't handle them, with the result again that the disposal of these cars would have to be turned over to used-car dealers.

In so doing the control of the value of these assets in the hands of our customers, as represented by their used cars, would be very seriously affected because the tendency, of course, would be to buy those cars at the lowest possible price, with the result that the customer who continued to buy a new one then would have to add more money to what he was willing to spend to take advantage of the new car.

Each of our dealers operates their own used-car operation. They sell these cars at retail.

[fol. 709] Q. Further answering the court's question what do you say about the liaison that you have with your

dealers now in relation to the liaison you would have with five or ten dealers in the cars being sold through discount houses?

A. Well, of course, we have a very close liaison with our dealers under our present system of distribution. We work very closely with our dealers in all matters pertaining to the operation of this business, both from a sales and service standpoint.

If we had this other system, of course, that liaison would be completely destroyed, because we would be dealing with five or ten very large outlets and we would have no channels of communication with the additional number of discount house outlets that might be set up to attempt to sell our cars.

So, in effect, we would be losing almost completely the benefits that we enjoy from the liaison with our dealers. We would be losing, certainly, the stable outlet that we have for our products. We would be losing the benefit [fol. 710] of the counsel and advice that we get from our dealers with respect to our product and merchandising problems. And we would, certainly, be losing another very important advantage in the form of a market appraisal, the estimate of sales potential in these areas which our dealers provide on a regular basis.

Q. That is in connection with your manufacturing operation?

A. In connection with our manufacturing and scheduling operations.

Q. Why couldn't your five to ten dealers give you counsel on the matter of the needs and, therefore, on the matter of scheduling?

A. Well, five or ten dealers operating on, say a distributor system of distribution, modified distributor system of distribution, would not be close enough to the market to provide that information.

They would know perhaps from their own retail business, whatever business they might be doing, through—at retail through their own operation, but with 75 or 80 discount houses, that share of the retail business would be of a smaller percentage and would not accurately reflect the true market conditions.

So I think they would be greatly handicapped in at-

tempting to provide the kind of information we get today [fol. 711] from an area such as this, in the form of 85 different appraisals of the market and the estimated requirements, based on an individual dealer's appraisal of the sales potential in that particular area.

Q. Do you make any scheduling changes in which you use the advice of your dealer organizations?

A. Yes, we make a great many schedule changes because our business is very sensitive to the fluctuations of the economy. In 1960—in the 1960 model year we made 24 different schedule changes in an attempt to keep our operations adjusted to the market.

[fol. 712] By Mr. Mitchell:

Q. Is that for Chevrolets?

A. This is for Chevrolet only.

Q. And then making those schedule changes did you use the information which was provided for you by your dealer organizations?

A. Very definitely. We used that information provided by the dealer organizations, together with our other statistical information to arrive at what we thought was the proper distribution production schedule.

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The Court: What I mean is, I am talking now about—in other words, let's assume for the purpose of this question that the law of survival has taken over and 42 have gone by the wayside. You now have 43 left.

What would be your answer respecting the ability of General Motors to carry on effectively with 43 dealers, for example?

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[fol. 713] The Witness: Well, the service and the relationship, of course, we just couldn't possibly maintain with the 43, because we think we need practically twice that number today.

But I think that the important part of this question with respect to the accuracy with which they could furnish use forecast information on the market requirement is

that the discount houses would not be in a position to do that.

And they would not be in a position to do that because the discount house type of operation is operated as a department store. They depend on people coming in. They [fols. 714-715] depend on floor traffic, as we say. Somebody wants to buy a car, and they think they can buy one at a discount house, they go into the discount house and ask about it.

They do the same think in a dealership. And the floor traffic part of our business is an important part, and I am not making any attempt to minimize that.

But the floor traffic part of our business is only a part of it. And it is more important at certain times of the year than it is at others. It is more important at new model announcement time, for example. At the early spring peak it is more important.

But during the winter months, for example, all during the months approaching the clean-up, the floor traffic sometimes almost completely disappears.

And that is where our dealer organization, that is where our dealer sales organization under capable sales direction comes into play, because they have a group of salesmen, they maintain prospect files, they maintain register lists of customers, they know where the people live. And these salesmen are out making personal calls, they are out making telephone calls, making demonstrations, they are appraising cars and trying to deal with individual customers.

None of which, of course, would go on in a discount house setup.

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[fol. 716] By Mr. Mitchell:

Q. Well, whether the number of dealers are five or ten or forty-three using the discount house system, is it fair to say that it is just a matter of degree as to how bad it is going to be?

A. I think that, for the purpose of brevity and simplicity, that that describes it very well. It would just be a matter of degree.

I think that in our business we have had, over the years in my experience we have had experience with too many dealers, we have had experience with too few dealers, and we have had experience with the right number of dealers.

We have come to the conclusion, after very careful consideration, that we are going to sell more automobiles, we are going to do a better job of taking care of our customers if we have the right number of dealers. Not too many, not too few.

And we spent a great deal of money, we spent a great deal of time in doing the necessary statistical work, the necessary market research work to provide us with the answer to that problem.

If we have too few dealers we don't sell the volume [fol. 717] of cars that we would like to have.

If we have too many dealers, they either go broke or they go out of the picture.

So we regard the right number of dealers as one of the most important factors with which we have to deal as a manufacturer of motor cars.

Q. What if you have too few dealers, what is the effect on the customer?

A. Well, the customer would have difficulty getting service, No. 1.

He could have some difficulty perhaps in buying cars. He certainly would not have the accessibility of the sales-room or service station in this particular area.

And insofar as we are concerned it would mean less business.

[fol. 718] Q. Well, does less business have any effect on the price which you will have to charge for the car?

A. It certainly does. If we have less business our volume changes drastically and factors are introduced into the picture which would restrict our business or complicate our manufacturing activities and it would have only one result, and that would be to raise the manufacturing cost of our operation.

To the extent that our costs are increased, of course, eventually all costs have to be passed on in the price of the product. So it would have the inevitable result of increasing the price of cars.

Q. So that this use—this dealer's use of discount

houses can ultimately result in increasing the price of cars?

A. I think it could, yes, sir.

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The Court: I take it that the price of cars had not actually increased over the last 25 years, has it?

The Witness: You raise a very interesting question, your Honor.

The Court. What I have in mind is you added on some different new features, did you not?

The Witness: That is right.

[fols. 719-720] The Court: You consider those and take the depreciation of the dollar into consideration at the same time, I wonder if it hasn't been lowered, really.

The Witness: If the price of cars in terms, say, for example, the number of weeks an individual has to work today, very definitely it has lowered the price of cars today.

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[fol. 721] Q. If you have an impairment of your dealer liaison, in connection with your production schedule or in connection with your peaks and valleys, brought on either by economic conditions or by your model changes, or brought on by the unfortunate circumstance of an un-[fol. 722] popular model, does that have any effect on your employment in Detroit and elsewhere?

A. It would have a very serious effect on our employment in Detroit, as well as the serious effect on the employment of the suppliers who work with us very closely in the production of components and materials we need for the production of automobiles.

Q. Now, what effect does that have on the price the consumer has to pay for the car?

A. Well, each change in schedule which would be required, which would give fluctuation to schedules, we can achieve our greatest efficiency with an even schedule. If we have to reduce our schedules, that means then that we, in effect, have to over-man for certain jobs in our plants, and we have to lay off some people.

Under the provisions of—under the provisions under which we operate we today have a very important financial responsibility to our employees, and they have to be compensated for a certain percentage of their normal earnings under reduced workweek procedures.

For example, if it is a short layoff they are paid from a fund which is created by us, and they are paid an amount equal to 65 per cent of their normal earnings.

So, in effect, that would be pay for work, for no productive work being done.

If they are laid off as a result of schedule changes, [fol. 723] for a longer period of time they also can draw upon this fund, plus their unemployment compensation, which would pay them up to 62 per cent of their normal earnings, plus \$1.50 a week for each dependent.

Of course, the unemployment compensation fund is paid by us. We have to contribute to it. To maintain that we maintain this supplemental unemployment benefit compensation fund. So these are direct costs of manufacturing.

If we can maintain steady, even flows of our work, then we don't incur those expenses. Our employees are prosperous, working full time and our business hums.

If we have to be subjected to wide variations in our production schedules again our costs are going to increase, and to the extent they increase eventually they have to find their way into the prices at which we sell our products.

Q. Do you think that the discount house system, whether it be operated by five, ten or forty-three dealers, would increase the price of cars to customers?

A. I think it would very definitely.

Q. Well now, in this case the record shows that you have in the Los Angeles metropolitan area 85 Chevrolet dealers, and it shows that in 1960 there were 23 discount houses selling cars for some of these dealers. So that, in effect, you would have 108 outlets.

Do you think that will sell more cars?

[fol. 724] The Witness: No, sir, I do not. I don't think that it would sell a single additional car. I think if it persisted it would result in the sale of fewer cars.

By Mr. Mitchell:

Q. And if you sell fewer cars what happens to the price of the cars that you do sell?

A. They would be, they would be increased.

Q. Have you had any, over a period of years, Mr. Roche, you and your associates in this company, had any experience with too many outlets, too many dealer outlets?

A. Yes, we have. We have had a great deal of experience with too many outlets in the industry over the years. And it has been a sad experience.

Q. You mean it has an adverse effect?

A. It had a very adverse effect.

Q. Have you had experience with too few outlets?

A. Yes, we have had experience with too few outlets as well, in certain lines and in certain areas.

Q. And do these experiences, what have they caused you to do?

A. They have caused us to bend every effort, to make every effort to endeavor to have the right number of dealers. Not too many and not too few, in the interest of selling the maximum number of cars.

[fol. 725] Q. And in the interest of selling them at the least price that they can be sold for?

A. Selling them in a highly competitive market against very formidable competition.

Q. Now, so far as you are concerned, is it of any moment to you whether discount houses are selling for less or more than dealers?

A. None whatsoever, because our—it is very rarely that automobiles are sold at the suggested list price. The range of prices depends on many different factors. And our dealers have to operate in competition with each other in the same product lines. They operate in competition with other makes of cars in substantially the same price or specification area, with the result that unless they are willing, and do meet competition that exists, they cannot hope to succeed.

The Court: Let me ask you a question. This may be a rather mean and tricky question, so you had better listen to it.

Suppose a discount house were willing to take on the

business and sell every car and guarantee they would sell it at \$1,500.00 above list price. Would you think General Motors would take any steps? They wouldn't bother about it at all, would they?

The Witness: If they would sell all cars at \$1,500.00 [fols. 726-728] above list price?

The Court: Not list price, I mean wholesale price.

The Witness: Selling at \$1,500.00 above wholesale price?

The Court: Yes.

The Witness: Well, I don't think they could do it, your Honor.

The Court: Well, but just assuming that they would agree. Would General Motors—could they do anything?

The Witness: Well, we, of course, could not have any influence whatsoever on the price that they would sell their cars for.

The Court: The trickiness of that question is simply this—what I am getting at is price is the thing you are dealing with here.

The Witness: Price is the thing. Everybody wants to get a good price. And they have the means by which to get a good price on their cars, a competitive price in our franchise system of distribution.

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[fol. 729] By Mr. Mitchell:

Q. Perhaps, Mr. Roche, you explained your views on things, but one more question to see if we can develop for the court what I think he is interested in and what I think he should answer.

If General Motors is not interested in the price at which a discount house or dealer sells his cars, what do you care if dealers use discount houses and if they charge low prices?

A. Well, General Motors has no influence whatsoever with respect to the prices at which our products are sold. We sell our products through our authorized franchised dealers. We sell them to them, rather, and at what prices they may elect to sell those products is a matter for their sole determination.

I think we recognize the economic facts of life in the operation of our business and we know that automobiles are generally, almost always sold at a discounted price from the manufacturer's suggested list price, which, as a matter of law, has to be stated and affixed to each car that we ship.

In the actual market place we expect that our dealers are going to be very competitive. We expect that they are going to meet whatever the competitive situations [fol. 730] are in order to operate their businesses and give us the representation and have a satisfactory business from their standpoint. I think our concern, with respect to the introduction of discount house type operations, has to do with the potential effect of destroying the careful work that we have done in establishing these dealer locations in diluting or diverting some of the market potential, upon which a particular dealer location was established, to other areas or to other dealers who would have absolutely no responsibility or no interest in this particular area.

To the extent that that happened and to the extent that it would result in a sufficient dilution of business, it would cause some of these dealers to give up the business, either voluntarily or perhaps in some cases it might be of sufficient importance to have a more drastic result of bankruptcy.

So our interest again is an attempt to preserve the franchise system of distribution. We are asking for no quarter from the competitive standpoint. We expect to compete. We do compete with our products, our design, with the basic prices at which our cars are listed and at which we sell them to the dealers.

We expect that the dealers in turn then will take those cars to market on as fully a competitive basis as we do. If we have to live with an additional system of distribution [fol. 731], which was never contemplated, which was one that we would not under any circumstances voluntarily establish on our own, then it is our considered opinion that our business would be very drastically affected by reason of the beyond—which would then be beyond our control and would have nothing to do, in my opinion, with the prices at which these cars were sold,

because automobile prices vary from dealer to dealer. They vary, depending upon the circumstances surrounding each individual transaction. There is no uniformity with respect to the pattern. They vary by seasons, they vary by models and many other factors.

So again our concern is the potential dilution of a carefully thought out system of distribution.

Q. When you say "drastic effects," you have described perhaps more than once in your testimony these drastic effects in terms of the effects on your manufacturing and its scheduling, the effect on your goodwill or lack of convenient service and parts, the effect as a result of the peaks and valleys that the business inevitably has to live with, and the effects in terms of an unsuccessful model coming out and other things that you have described, which we will not try to do again.

A. That is right. I think I have described those things that you have mentioned in quite some detail. I think those are the important considerations that motivated [fol. 732] our decision with respect to our merchandising plans over the years and which motivated us to do what we have done in an attempt to preserve that system.

The Court: Well, you have also, if I remember your testimony, indicated in your opinion it would affect—it would have a considerable effect upon the purchasing public, the consumer. Haven't you said that?

The Witness: Yes, I have said that. It would have a very serious effect on the purchasing power of the consuming public.

It would have beyond that, as I have also stated, a very important effect on the general economy of the United States, if we do anything to upset the balance between production and distribution that we have in this very substantial industry of ours.

By Mr. Mitchell:

Q. Were your views in 1960 and 1961 on this subject any different than they are now?

A. No, my views on this particular subject are exactly the same today as they were back in 1960 and 1961.

[fol. 733] Q. What was the first that you heard of the

problem of dealers using discount houses in the Southern California area for the sale of Chevrolets?

A. The first knowledge that I had of this was about the middle of November of 1960, when Mr. Gordon, president of General Motors, referred to me some letters, telegrams and communications that he had received from certain dealers and salesmen in the Southern California area commenting about the discount house operation.

Q. Had you known anything about the discount house problem before that?

A. Not in Southern California, no.

Q. Anywhere else?

A. I had had occasional references to a single automobile being offered for sale through our, or by discount houses in isolated instances during my years with Cadillac.

However, the general comment had to do only with a single specific car, and was no problem of any great moment.

As a matter of fact, up to that time I was of the opinion that these cars that were occasionally discounted by dealers were more of a bootleg variety, where some dealer had sold a car to a discount house, which in turn was offering it for sale to any customer that wanted to buy [fol. 734] it. They are individual cases and never amounted to anything.

Q. Do you think that the sale of a single car, or occasional car to a discount house for resale would wreck the franchise system?

A. Oh, an occasional sale, such as happened—we don't like bootlegging, we don't condone bootlegging, we think it is wrong, we think that it has a bad effect on business.

But one isolated sale, perhaps, would not be too significant.

A regularly organized plan for selling through or channeling customers through a discount house, or any other type of operation beyond the franchise dealer, could have and does have a very serious effect.

Q. Well, now, what did you get from this sheaf of letters that started coming into Mr. Gordon and others in November of 1960 with respect to Chevrolets in Southern California?

A. Well, I judged from these letters that there was a merchandising problem involved which was channeling customers, and which was, in effect, setting up the places through which cars could be bought, Chevrolet cars could be purchased other than the dealer who is there in that particular location, or through other dealers located in [fol. 735] the metropolitan area.

The problem seemed to be a very important one, and one which required some investigation.

Q. What did you do about it?

A. I asked the sales section of the corporation, as part of my responsibility as vice president in charge of distribution, and I asked some of the members of my staff, central office staff, to make an investigation and advise me as to what was going on.

Q. What were the names of those persons that you mentioned talking to?

A. I talked to Mr. Crawford, who is director of the sales section, and Mr. Schreitmueller, who is organization manager under Mr. Crawford's supervision.

Q. And did they report back to you?

A. Yes, they did. They reported back to me after their investigation had been completed and advised me as to the reports that they had been able to get from the field organization as to what was going on.

Q. With whom did you discuss this problem, other than Mr. Crawford and Mr. Schreitmueller?

A. At various times we discussed the problem with Mr. Schreitmueller, Mr. Crawford discussed it with Mr. Gordon, discussed it with Mr. Averill of Chevrolet, Mr. Mays of Chevrolet, and with our legal department, Mr. Bridenstine. [fol. 736]

Q. Mr. Bridenstine?

A. Yes.

Q. Did you reach any conclusion as a result of these discussions?

A. Yes. Eventually, as the result of the discussions, we reached the conclusion that a serious problem existed, and that the nature of the problem threatened our distribution plan—indeed threatened, in my opinion, the very existence of our franchise system of distribution. And that if it continued it would have a very adverse effect

upon the sale of Chevrolet cars and trucks, parts, and other products, as well as reflect adversely on the good name of Chevrolet. And would also tend to destroy the service and parts facilities which are required to keep Chevrolet cars in operation.

[fol. 737] Q. Did you have complaints from any dealers in Southern California other than Chevrolet dealers?

A. Each of our divisions, I think,—personally I did not, but I am familiar with some of the telegrams and letters which our other divisions received from other corporation dealers and salesmen in the area, who also shared the concern of the Chevrolet organization.

Q. In reaching your conclusion as to the fact there was a problem and in determining what to do with the problem, did you consult with any Chevrolet dealers or any other dealers, for that matter?

A. No, sir, we consulted with no dealers and no one outside of our own organization.

Q. Did you consult with any dealer associations?

A. No, we did not consult with any dealer associations.

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[fol. 738] The Court: By "dealers" you mean your own dealers?

The Witness: Yes, sir.

The Court: I wasn't too sure he meant that.

I mean your own Chevrolet dealers.

The Witness: That is right.

The Court: You didn't consult with them?

The Witness: That is correct. I didn't consult with anybody except our own people.

By Mr. Mitchell:

Q. With Cadillac, Pontiac, Buick, Oldsmobile dealers?

A. No, no dealers; had no dealer contacts.

Q. For that matter, did you consult with anybody outside of your own group you have told me about?

A. I have described the group with which we have consulted. In addition, we, of course, talked with some of the other executives of General Motors, particularly the members of the distribution policy group at a later occasion.

But our discussions and our handling of the problem was discussed and handled by these people that I have mentioned.

Q. At that time did you know there was such a corporation as Losor Dealers Association?

[fol. 739] A. I was not familiar with the name "Losor Dealers Association" and it was some time later that I first heard the name of this dealers association.

There are many dealer associations across the country. There are city-dealer associations, metropolitan dealer associations, state dealer associations, county dealer associations, national dealer associations. And then it is the common practice for dealers of the same make to have an association.

So there are so many of them that obviously I could not hope to keep up with the names of all of them. So I was not familiar with the Losor, the name Losor Dealers Association.

Q. Or did you know who composed the association?

A. I had no idea whatsoever of who composed that association.

Q. Is the same true as to the Foothill Dealers Association?

A. That is correct.

Q. Is the same true as to Dealers' Service, Incorporated?

A. That is right.

Q. What decision was reached by this group that you spoke with? What did they decide to do about this problem?

The Court: I take it this group—hereafter you will [fol. 740] refer to it as the executives of General Motors, is that right?

Mr. Mitchell: By this group I mean Mr. Crawford, Mr. Schreitmuller, Mr. Averill, Mr. Mays, and Mr. Bridenstine.

The Witness: If I might suggest, we might refer to this as a working group, to identify it.

The Court: What I am trying to get clear in my mind is that they were General Motors executives?

The Witness: That is right. These were General Mo-

tors executives who were concerned with the handling of this problem, the recommended handling of the problem.

By Mr. Mitchell:

Q. All right. As a result of the discussions with this working group, what was it decided to do?

A. Well, it was the unanimous opinion of the members of the group that we were confronted with a very serious situation and something had to be done about it.

The decision was eventually reached that we should prepare a letter in which we would state our position and our thinking with respect to this problem, so that all dealers would very clearly understand what we thought, the reasons why we thought as we did, and to state to them that we regarded this matter as a threat to the franchise system of distribution and there were serious questions involved with respect to possible violations of our selling agreement.

[fol. 741] We wanted to urge them to give this matter careful consideration and then to judge their particular activities in the light of their responsibilities.

During the course of the preparation of the letter all of these points were very carefully considered, and also it was decided that we would recommend that a similar letter be sent to every General Motors dealer in the United States, so that there would be no question as to the importance that we attached to this problem.

Q. Now, was here any decision made with respect to personal conferences with the Chevrolet dealers in the Southern California area?

A. No, there were no conferences whatsoever with Chevrolet dealers.

Q. In preparing your letter, there is an instruction or a statement that the dealers will be called upon in connection with this problem. Do you recall that?

A. That is right, I recall that very well.

Q. Was there a decision made as to having your local zone and regional offices do something about this letter that you were going to send out?

A. Yes, we wanted our zone and regional personnel to sit down and discuss this matter with the dealers in the area involved, so that there would be a very clear under-

standing of our attitude and our viewpoint, so that if the [fol. 742] dealer had read the letter he would know what we meant and if he had any further questions or anything he wanted to discuss, that would provide an opportunity for him to do so.

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[fol. 743] Q. As you proceeded in reaching this—proceeded with your working group in reaching this decision, had you consulted at all with Mr. Gordon?

A. Yes, I continued with Mr. Gordon and made progress reports to him regarding the tenor of our discussions, the trend of the think that we were following, so that he would be kept abreast of it and could give us the benefit of his constructive criticism with respect to what we were doing.

Q. Well, now, what was the plan with respect to this letter that was drafted?

A. The plan with respect to the letter that was drafted was that the letters from—addressed to Mr. Gordon by dealers would be acknowledged by me.

And that the letters, or telegrams that were received from salesmen would also be acknowledged through the medium of this letter a request to the dealers to make such acknowledgement to his salesmen.

It was also decided that the letters addressed to Chevrolet personnel would be acknowledge by that division and Mr. Staley, who would refer to the letter which I was sending out, and quote that letter in his reply.

Q. Now, before putting this plan into effect, did you secure any approval from Mr. Gordon?

[fol. 744] A. Yes, I did. I reviewed the letter with Mr. Gordon, and we had his approval before it was sent out.

Q. Government's Exhibit 185 are some notes or minutes of a distribution policy group meeting on December 21st, I believe.

Will you tell us what the distribution policy group is?

A. The distribution policy group consists of members of the executive committee of General Motors, plus the vice presidents in charge of distribution, and the directors of the sales sections.

At that time I was chairman of the distribution policy group. This is a regularly constituted group which deals with the problems in the distribution, sales and service area.

The group meets regularly each month, usually on the third Tuesday of each month.

It is common practice for us to keep the members of this group, who are the top operating executives of General Motors Corporation, as familiar as we can and abreast of current developments in the distribution area.

This letter, after it had been sent out, it was decided to review the contents of this with the distribution policy group at its regularly scheduled meeting on December 21st; and at that time to pursue the thought that we had [fol. 745] from the beginning, which was to send this letter to all General Motors dealers.

We wanted all the members of the distribution policy group to be familiar with the contents of the letter. So it was presented in slide form at this meeting.

The Court: You say all dealers, meaning what?

The Witness: All General Motors passenger car dealers, Chevrolet, Cadillac, Buick, Olds and Pontiac dealers.

The Court: You mean throughout the entire United States?

The Witness: Throughout the entire United States, your Honor, yes, sir. There are some 15,000 General Motors passenger car dealers.

So the letter was presented. It was reviewed. And the proposal was presented that it be sent to all of the dealers.

The proposal was unanimously approved by the members of the distribution policy group and the letter was distributed, mailed to all General Motors dealers during late December 1960.

The Court: Excuse me, Mr. Mitchell. I believe this letter is addressed to General Sales Managers, is that the one?

Mr. Mitchell: Well, your Honor—

[fol. 746] The Court: 116, Exhibit 116?

Mr. Mitchell: There are numerous copies of this letter identical in the record. The one you have, your Honor—

The Court: I take it, what I am getting at, I take

there is no dispute in the case that this letter went out to all of the dealers throughout America? Is there any dispute, Mr. Blecher, about that?

Mr. Blecher: Not 116, your Honor. The letters are form—they are substantially identical with 121, which was sent out to all dealers throughout the United States, I mean in each instance by the general sales manager in the particular division.

The Court: Well, what I am getting at is, to try to be sure that I understand, and that is that this letter that dealt with this problem—and I have before me Exhibit 116, and that is the letter that deals with it, as I remember it, it did go out.

The Witness: Yes.

Mr. Blecher: Your Honor——

The Court: Not just to Southern California dealers, but to all the dealers throughout the United States.

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[fol. 747] Mr. Mitchell: That's right. But as these letters went out to the Pontiac dealers, it would be signed by the sales manager of Pontiac, is that not right?

The Witness: Mr. Bridges, that's right.

By Mr. Mitchell:

Q. And similarly with respect to the letters going to [fol. 748] the other divisions, they would be signed by the general sales manager of that division?

A. The general sales manager of each division signed the letter which went to dealers in other areas, or sections.

Q. And the record here, General Motors Exhibit AV shows that you sent out an interorganizational letter dated December 12, 1960, to each of the car divisions, directing them to send out this letter. You recall that?

A. I recall the letter. I don't recall the exact date, but I recall the letter, yes.

[fol. 749] Q. Why didn't General Motors order its dealers to cease selling through discount houses under penalty of revoking their franchises?

A. I think to understand the reason for that you would have to know how we in General Motors attempt to

operate with our dealers. It is not our practice to threaten dealers with termination of their franchise. There are many areas in which perhaps there would be questionable discharge of responsibilities under the terms of our selling agreement with the dealers.

There may be many areas in which we would like to bring about a correction. It might be for sales performance, it might be for facilities, it might be inadequate service or poor management; any one of a number of reasons.

It is our policy to attempt to work with our dealers on the basis of reason or reasonable approach, a cooperative approach, and through persuasion to bring the dealers around to our point of view.

We spend a lot of time, we make a great deal of effort to work with our people, encourage our employees to work with our dealers on this kind of a basis.

Now, failing over a period of time to accomplish whatever purpose we might have in mind, with respect to the discharge of the responsibilities under the provisions of our selling agreement, termination might eventually be [fol. 750] come the answer to it. But that would be, in most cases, the last resort.

We viewed this problem in the same light. Certainly, we would not want our people to go in and wave the franchise agreement, selling agreement, and threaten the dealer with termination in the event he didn't agree, after following—after reading a letter he was violating our agreement and should change his practice.

Instead we expected that this would be handled on a sound, calm, sensible business-like approach.

Q. Why did General Motors adopt the policy that it did adopt with respect to dealers' use of discount houses?

A. We adopted it for only one reason. We felt that it would have a very serious and detrimental effect on the operation of General Motors Corporation, and that it eventually would seriously affect the sale of Chevrolet cars and possibly other General Motors products, in the event that the practice was taken up extensively among the other lines—

Q. Taken up how among the other lines?

A. Extensively.

Q. Extensively.

A. —among the other lines, and if it did we felt this would destroy the very carefully planned and constructive system of distribution that we had worked for so many [fol. 751] years to establish, and in which we had such a very substantial investment of time, effort and money, to bring our operation to the degree of success that we enjoy today.

We felt that if this thing persisted that it would have the inevitable result of making our operations in General Motors, in Chevrolet and the other divisions that might be affected, much less successful than it is and has been.

Q. You were acting in General Motors' own interest?

A. Solely in General Motors' own interests.

Q. Were you engaged in a combination, conspiracy or concert of action with any Chevrolet dealer or dealers in Southern California or any Chevrolet dealer association in Southern California?

Mr. Blecher: Let me object to that, your Honor, on the ground it calls for a conclusion of this witness which this court will be required to make.

Moreover, whether or not General Motors participated in a combination and conspiracy is to be judged by what they did and not by what they said.

The Court: Well, you certainly are not contending—if you are going to take the position what they said is not relevant, then I will have to throw out all these letters.

Mr. Blecher: I am taking the position, your Honor, he [fol. 752] is not permitted to make a self-serving statement as to—

The Court: In this court they can always make a self-serving declaration. I am never going to change that.

Since I was a prosecutor back in 1933 I never ever made that objection.

I am going to permit it. After all, he is making a denial of guilt, is what he is doing, and that is what I am permitting.

I don't have to accept it and I may not accept it.

I am certainly going to give every defendant an opportunity in a civil or criminal case to say, "I didn't do it."

The Witness: Thank you, your Honor.

That is exactly what I am saying, "I didn't do it."

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[fols. 753-754] Q. You mean you did not engage in a combination or concert of action with the people I asked you about?

A. We did not engage in any conspiracy or concert of action with the people which you are speaking about.

The Court: I take it what he is really saying is that—go ahead. I won't ask that.

Mr. Mitchell: He said it. That is all.

The Court: Well, what I understand you to say is simply that you deny from this witness stand that you ever intended at any time or from anything you saw that General Motors intended to form a combination or a conspiracy or a concert of action or a plan with these dealers to bring about this result, is that what you are saying?

The Witness: That is exactly right, your Honor.

By Mr. Mitchell:

Q. Or with the dealer associations or any of them.

A. Or with the dealer associations or any of them.

Q. You deny it.

A. I deny it absolutely.

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[fol. 755] Cross-examination.

By Mr. Blecher:

Q. Mr. Roche, is it your judgment that, all factors remaining equal, a consumer would prefer to purchase a car from a franchised Chevrolet dealer, as opposed to some non-franchised source?

A. Yes, it is.

Q. On what do you base that judgment, sir?

A. I base that judgment on the fact that an established dealer, as the authorized representative of the manufacturer, a business which has been set up for the purpose of serving customers for that particular line of cars, both in selling them new cars and providing service facilities required to maintain those cars, has been an established system of distribution since the inception of the industry.

And I think that is by far the preferred method on the

part of most people in purchasing their automotive transportation.

[fols. 756-757] Q. What factors do you think, Mr. Roche, compel a customer to do business with a non-franchised source?

A. There could be perhaps several factors. One—one might be that he wanted a particular car, but in the past he might have had some difference of opinion with a particular dealer who was selling that car.

In other cases he might feel that he was closer to the particular individual who might be operating such a business.

I suppose it could be any one of a number of factors.

[fol. 758] Q. Mr. Roche, do you believe that the mere existence of discount houses threatens the destruction of the franchise system?

A. I think the existence of discount houses through which our products can be sold threatens the franchise system, yes.

Q. Regardless of the number of cars that are sold by those discount houses?

A. Well, it obviously would depend on the number perhaps. A casual sale, such as occasionally happens with a used-car dealer, perhaps wouldn't be of any great significance. A regular system for providing for a flow of cars through a discount house location would have a very serious effect, yes.

Q. In your judgment, Mr. Roche, what number of cars would have to be sold through discount houses in the Los Angeles area before there was any serious impairment of the franchise system, as you have described it?

A. I could not define such a number without a very detailed study of the over-all market and the circumstances under which the operation would be carried on.

Q. Do you know, Mr. Roche, approximately how many cars were sold through discount houses—Chevrolets were sold through discount houses in the year 1960?

[fol. 759] A. I don't know exactly, no. It is my impression that there were several thousands, but I can't vouch for that.

Q. Do you know what relation that several thousands bear to the total number of Chevrolets sold in the Los Angeles area in 1960?

A. I don't have the exact figures. I would say it was a reasonably small percentage.

Q. About two per cent, Mr. Roche?

A. Between two and five per cent perhaps.

Q. Now, during that time, 1960, when about two to five per cent of the cars were sold through discount houses in the Los Angeles area, what impairment, if any, did you observe in connection with your franchise system?

A. I didn't observe any impairment in the franchise system at that time. I think this is sort of like waiting for the disease to kill the patient before we decide what is wrong with him.

Q. Do I understand from your answer, Mr. Roche, you contemplated that upon check the discount house distribution, that is, the sale of Chevrolets by dealers through discount houses, would continue to flourish and increase?

A. We were concerned this problem would spread and if it did continue on this basis and if it did increase, that it provided a very serious threat to our system of distribution [fol. 760] and our interest in the Los Angeles market.

Q. Why did you think it was going to increase, Mr. Roche?

A. Well, it had gone from nothing to this volume in a comparatively short period of time and we had every reason to believe it was probably going to increase.

[fol. 761] Q. Well, why do you think that it had gone from nothing to something in a comparatively short period of time?

A. I can't answer that question.

Q. Did you make any observation on that subject at all?

A. No, except that there was—it was a different system of distribution. And my first knowledge of this came with the advent of the letters and the telegrams that we received from dealers, which were referred to me for handling.

Q. Now, is it not a fact, Mr. Roche, that virtually every letter which you observed, or every telegram that you observed sent by a dealer or a salesman in the Los Angeles area complained about the nature of the price competition being caused by dealers selling through discount houses?

A. I can't give you the number. Some of them did comment on that, yes.

Q. The fact is that a large number did, did they not, Mr. Roche?

A. Many of them did. I can't give you the percentage of the ones that did.

Q. Did you cause any investigation to be made in or about November of 1960 to determine whether or not [fol. 762] Chevrolet dealers selling through discount houses were selling cars at lower prices than the dealers in the area in which the discount houses were located?

A. No, we did not.

Q. Did you——

A. Because the price was not a matter for our consideration.

Q. Did you consider the price at which these automobiles were being sold through discount houses wholly irrelevant to the subject?

A. Well, price is not irrelevant to the sale of a car by anybody, whether it is a discount house or a franchised dealer. Price is a very important factor in the sale of a motor car.

Q. Is it not a fact, Mr. Roche, that back in November 1960 the folks at Chevrolet recognized that this system would continue to increase only because the discount house outlets were being furnished cars at low prices?

A. I can't answer what the people at Chevrolet might think, or the individuals out here who were in a position to observe what was going on.

But I would imagine that they would be fully cognizant of the competitive nature of our business, and the prices, and the fact that Chevrolets were being sold at varying prices, depending on the dealer, the location, the season [fol. 763] of the year, the type of the car, the model, or whatever else may have been involved in it.

Q. Did you, during the period around November of 1960, did you ever have occasion to discuss the matter, discuss the nature of the complaints coming from the Los Angeles area with Mr. Kenneth Staley?

A. No, I did not discuss it with Mr. Kenneth Staley.

Q. Did you have occasion——

A. At that time.

Q. I am sorry. Did you have occasion to discuss the subject matter of these complaints with Mr. L. N. Mays?

A. No, I did not, not at that time.

Q. Mr. Sidney Gilliatt?

A. Shortly after that I did, yes—no, not with Mr. Gilliatt either at that time.

Q. You did discuss the subject with Mr. Mays, however?

A. The subject, yes. These letters came in about mid-November and were referred to me, as I testified this morning, by Mr. Gordon.

I talked with the people on my staff, distribution staff at the time, and turned the letters over to them for investigation as to what happened.

They reported back to me the results of their findings. [fol. 764] Q. Well, do you know, Mr. Roche, as you sit here now, what part Mr. Gilliatt, Mr. Mays and Mr. Staley played in the formation of a policy in connection with discount house sales in Southern California?

A. Well, Mr. Gilliatt and Mr. Mays were working with the people on my staff, endeavoring to determine exactly as they could what was going on, and to develop a proposed letter and reply, based on our policy position, that we could take with these dealers.

That is the extent of my knowledge of their participation in it.

Q. Do you know whether or not Mr. Gilliatt and Mr. Mays were assigned the task of collecting the facts and analyzing them as they applied to the sale of cars through discount houses in Southern California?

A. I think they worked in that direction, yes, sir.

Mr. Blecher: Mr. Clerk, may I ask for Government's Exhibit 114, please?

(The exhibit was placed before the witness.)

Mr. Blecher: May I approach the witness, your Honor?

The Court: Yes, you may at all times. The only rule I require, counsel, is that any lawyer not stand so close to the witness that he is shouting in his ear. I can't tolerate [fol. 765] it for myself and I am sure other people can't.

But you can stand by him if you need to at any time.

By Mr. Blecher:

Q. Mr. Roche, I hand you the document which is marked Government's Exhibit 114, and ask you whether or not you will examine that document and tell me whether you have ever seen it before?

A. Yes, I have seen this document before.

Q. Did you see this document, sir, at or about the time it was prepared in December, 1960?

A. Yes, I saw it shortly after that, or approximately this time, yes.

Q. Let me invite your attention, if I may, Mr. Roche, to the third page of that exhibit, and further direct your attention if I may to the paragraph next to the bottom of the page which reads:

"It would appear that one of the real hazards of condoning this type of operation is that discounted prices are freely quoted to a large portion of the public."

Now, Mr. Roche, did you agree with that statement at the time Mr. Gilliatt made it in or about December of 1960?

[fol. 766] A. I can't recall that I paid any particular attention to that particular statement at that time—

Q. Can you—excuse me.

A. Pardon me. I was just going to add that this is perhaps Mr. Gilliatt's opinion. But that would not be controlling or binding upon me, or anybody else.

Q. Well, isn't it a fact, Mr. Roche, then, that one of the hazards of condoning the sale of Chevrolets by dealers through discount houses was that discounted prices were being freely quoted to a large portion of the public? Wasn't that really the heart of the problem?

A. I don't think so, Mr. Blecher, because I think discounted houses—discounted prices are very freely quoted to the public, both by franchise dealers and, in many instances, through advertisements which appear in the public press.

So I don't think there is anything very unusual about quoting discounted prices on automobiles.

Q. I take it that it is your testimony that there is no hazard involved by Chevrolet dealers selling cars through discount houses at large discounts?

A. There is no more hazard with respect to the price problem in that area than there is with the normal competition which exists between Chevrolet dealers and other competitive dealers, in my opinion.

[fol. 767] Q. At the time this problem first came to your attention, Mr. Roche, in or about November 1960, you recognized, did you not, that there was a very serious problem involved in relation to the federal antitrust laws, did you not?

A. Yes, sir, we are very conscious of our problems in connection with the federal antitrust laws.

Q. And that subject was discussed among the folks you mentioned this morning, as having participated in a policy and program by General Motors?

A. I am sure that it was, because there would be nothing unusual about that. All of the policies that we formulate and all of the policies that we develop, we do so with a very important consideration that all of our activities conform with the existing laws as we interpret them, so there would be nothing unusual in this case, any more than in any other activity we might undertake.

Q. May I invite your attention, Mr. Roche, to page 4 of the document before you now, and to the fourth paragraph on the page which reads:

"The activities of these discount houses have been the subject of review by Chevrolet, as well as the sales section and legal staff of the General Motors Corporation, and is a very delicate matter, inasmuch as it would appear at the outset there is very little legally [fol. 768] that Chevrolet or the corporation can do relative to referral agreements which dealers may have with certain individuals."

Is it not a fact, Mr. Roche, that at the time you formulated this policy that you recognized that it would be a violation of the law for you to take any steps to interfere with the relations your dealers may have had with third parties by way of referral agreements?

A. No, sir, it is not.

Q. Would you say that Mr. Gilliatt's statement here is in error?

A. I think you would have to ask Mr. Gilliatt the question as to his own interpretation of this. This is merely an expression of opinion on the part of Mr. Gilliatt. This certainly does not coincide with my opinion with respect to our discussions with the legal department.

The Court: What was his position, Gilliatt?

Mr. Blecher: In the stipulation, your Honor, it is recited he was the head of the dealer organization and analysis department of Chevrolet at that time.

The Court: Where was he located, Detroit or out here?

Mr. Blecher: Detroit.

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[fols. 769-770] By Mr. Blecher:

Q. Mr. Gilliatt was, in fact, Mr. Roche,—

The Court: He started to say something.

The Witness: I was just going to say that Mr. Gilliatt worked in the sales department of Chevrolet, your Honor.

By Mr. Blecher:

Q. Mr. Gilliatt was one of the persons in Chevrolet that was active in putting into effect the policy announced by General Motors, was he not?

A. He was one of the persons engaged in developing the information which was used by us in formulating the policy position that we took on it.

Mr. Gilliatt's primary role was to develop the information as to what was going on. The policy formation was beyond his jurisdiction.

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[fol. 771] Q. Mr. Roche, let me hand you a document marked Government's Exhibit 232, which is the year-end financial statement of Cone Bros. Chevrolet of Anaheim.

Is that the financial statement you were talking about?

[fol. 772] A. This is the type of financial statement I was talking about, yes.

Q. Will you tell me, Mr. Roche, how you can determine from that financial statement the approximate prices at which dealers were selling cars?

A. Yes. The accounting system provides that the cars, that sales of cars will be recorded at the list price at which they are sold, and that any discounts which are given from that list price will be recorded as a separate item.

Those items are identified in the financial statement

through the medium of separate accounts. That is the principal method for determining, on the average, what these cars are being sold for.

Q. How would you do that specifically in the case of Cone Bros. Chevrolet?

A. Well, in the case of Cone Bros. Chevrolet, this particular statement, for example, shows the sale of 540 cars, passenger cars.

It shows the dollar sales volume and it shows the discount that has been given.

This particular statement shows 540 unit sales with a discount of \$175,000.00, which is an average of some three hundred or so dollars per car.

[fol. 773] Q. At the time of the events in question in November 1960, did you undertake such analysis with respect to the dealers who were complaining about the sale of Chevrolets through discount houses?

A. No, we did not undertake such an analysis at that time, because, as I have indicated before, we had no concern about the fact that our prices are competitive. We feel that the prices for which Chevrolet products are being sold are very competitive in the market in which we operate or we wouldn't get the business.

We were concerned primarily with the establishment of another channel of distribution which we felt would have the effect of diluting the volume of business for—in the areas in which the discount houses were operating versus the established dealer locations which we had set up only after long and careful study as to the requirements for a dealership in that area.

[fol. 774] Q. How would you anticipate, Mr. Roche, that the dealers selling through discount houses would dilute the opportunity of neighboring dealers to sell cars, unless the dealers selling through discount houses were competitive?

A. Well, as I said before, we expect our dealers will be competitive. And if they are not competitive in a particular area, I think that the other dealers in the metropolitan territory would see to it that they were either competitive, or some of the other established dealers would get the business.

I don't think we need discount houses to help us solve that problem.

Q. Well, isn't that, in fact, what happened here, Mr. Roche, that some of the city dealers were getting down into Orange County and selling at prices there that were below the prices generally being charged by the Orange County dealers?

A. I can't answer that question. I think we would have to look at individual dealers to get an answer to that particular question.

Every dealer sells cars at different prices. No dealer sells cars at the same price. There are many factors involved in establishing the price of a car, particularly where there is a trade-in involved.

Q. Well, as you sit here now then you don't really know [fol. 775] whether or not the sale of cars by dealers through discount houses, for example, generated vigorous price competition in the Orange County area?

A. I think that we have a lot of price competition generated by the Chevrolet dealers in the metropolitan Los Angeles area.

And we have established a network of dealers in this area which we feel will give us good representation in a highly competitive market, a highly competitive industry in a highly competitive market, and that we don't need, and can't support additional channels of distribution.

If we felt additional dealerships, if we felt that additional outlets would sell more Chevrolet cars, more General Motors cars, we would put them in. I don't think we need the help of any of our dealers to do it.

Q. I appreciate all of that, Mr. Roche. But what I am asking you now is whether you know, or knew in or about November, 1960, whether the dealers who were selling cars through discount houses in the Orange County area were, in fact, creating, down in that area, vigorous price competition? Do you know or don't you?

A. I am not familiar with the specific prices at which cars were sold in the Orange County area in November of 1960.

[fol. 776] Q. But you do know, don't you, Mr. Roche, that that is precisely what the dealers in Orange County who wrote you and Mr. Gordon letters were complaining about, don't you?

A. Frankly, that doesn't bother us, Mr. Blecher.

The Court: No, he asked you if you know that that was correct, that was one of the things, I take it, they complained about.

The Witness: I have already admitted—said that, yes, that many of the letters did make that statement. But it was not part of our consideration in formulating and developing the letter which expressed our policy to those dealers.

By Mr. Blecher:

Q. Now, if you recognized that the dealers were complaining about vigorous price competition, Mr. Roche, didn't you expect that if you took steps to correct that, that you would, in fact, be effecting price competition among your dealers in the Los Angeles area?

A. No, no, we didn't, because we had enough other dealers so that there was a very competitive atmosphere with respect to prices and to sales competition in this area.

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[fol. 777] Q. Now, yesterday, Mr. Roche, you looked at the map which is a General Motors Exhibit, and you discussed dealer No. 21, who was involved in a flanking movement—

The Court: Let's refer to the exhibit, so that when you get up on appeal the court over there will know what you are talking about, and won't have to go back and look for it. What are you talking about?

Mr. Blecher: Yes, sir. This is General Motors Exhibit No. A.

Q. Mr. Roche, yesterday you were talking about dealer No. 21, who is Cone Bros. Chevrolet in Anaheim, is it not?

A. I think it is, yes.

Q. And we discussed the fact that there were about three discount houses, or more, in very close proximity to his dealership.

A. That is correct.

[fols. 778-779] Q. And you testified that a fellow in those circumstances might have a difficult time surviving in the face of that kind of competition, didn't you?

A. Yes, I did.

Q. Now, will you take a look at Mr. Cone's financial statement?

A. Yes.

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[fol. 780] Q. Can you state for the record how many new cars and trucks Cone Bros. Chevrolet of Anaheim sold in the year 1960?

A. They sold a total of 593 new passenger cars and trucks.

Q. Do you know, Mr. Roche, where that placed him, in terms of position among all of the dealers in the Los Angeles metropolitan area in terms of volume?

A. No, I do not.

[fol. 781] Q. Will you examine the profitability of that dealership and tell me whether or not you think it shows a due regard for your dealers, as an adequate rate of return?

The Court: First let me know what the net profit was. What does it show?

Mr. Blecher: I specifically avoided that in deference to the objection it be not exposed. I am perfectly willing to have it stated for the record.

The Court: I don't know how——

The Witness: I don't know how——

The Court: I don't know how he can answer it or I can pass on it.

Mr. Blecher: I appreciate that.

Q. Will you state for us what the profit or loss of that dealership was in that year?

A. The profit here was \$38,700.00.

The Court: What was that, before or after taxes?

The Witness: After taxes.

By Mr. Blecher:

Q. What was it before taxes, Mr. Roche?

A. Well, that depends, of course, on how you interpret it. Based on the interpretation you placed on it and the line you pointed out, it was \$90,000.00.

The Court: That means net profit before all taxes?

[fol. 782] The Witness: Yes, sir, except real estate taxes or—

Mr. Blecher: And bonuses.

Mr. Mitchell: And bonuses.

The Witness: Before taxes and bonuses, yes. Bonuses, of course, which is a cost of doing business; bonuses to employees.

The Court: Yes.

The Witness: And this resulted in a profit of \$38,700.00.

By Mr. Blecher:

Q. On what sort of investment?

A. On an investment of \$576,000.00.

Q. How does that compare with your dealers nationally, as a whole?

A. I would say it is on the low side. I can't give you the exact figures. It is a little low.

Q. Are you able to trace whether or not on the basis of that statement the sale of Chevrolets through the four or five discount houses in the Anaheim area had any serious effect on Cone Bros.'s ability to make a profit?

A. I would be unable to trace that at this distance. I would suspect that it probably didn't have too much effect on his profit at this particular time, in view of the limited number of cars that were sold during that period.

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[fol. 783] Q. Now, what sort of increase in the number of cars being sold through discount houses in the Orange [fol. 784] County area, Mr. Roche, would you contemplate would cause any serious effect on Cone Bros. Chevrolet or Cone Chevrolet Company?

A. I don't think I would be prepared to answer that; Mr. Blecher. I would not have any opinion on that.

Q. Do you know what sort of effect on the ability to retain gross profits of either of those dealerships would be necessary in order to cause any serious difficulty with either of those companies?

A. Well, again that could be determined only on the basis of examining in considerable detail the actual operating factors in the particular company.

Based on the over-all results of our dealerships, we know

that we operate at very close margins in our business and it doesn't take too much diversion of business from one source to another, from one dealer to another, or from one make of car to another, to have very important repercussions in the profit position of a particular dealership. That can be determined only on the basis of an analysis of the individual facts.

Q. Mr. Roche, you spoke during—at great length during your direct examination about certain benefits that General Motors derived by reason of its franchise system and how, in your judgment, the sales through discount houses tended to affect that system.

A. That is right.

[fol. 785] Q. Isn't it a fact, Mr. Roche, the very same effect would be created by Citizen Chevrolet coming down to Orange County and selling in Orange County at the same prices it was selling in Eagle Rock?

A. That is right, but I think we have to face up realistically to the facts of life. That is one of the hazards any Chevrolet dealer expects to encounter when he takes a Chevrolet franchise. He knows he is going to be operating in a metropolitan area in competition with many other dealers who are handling exactly the same product that he is, and if he is unwilling to do that, then the chances are he would not be a Chevrolet dealer.

Q. Did you recognize that that sort of situation was precisely what the dealers were complaining about in about November of 1960?

A. No, that wasn't the type of situation they were complaining about at all. The dealers had a selling agreement with us that prevented them from establishing any other location or any other outlets through which they could sell Chevrolet products, and I suppose that that is what they were concerned about. That here beyond their control or beyond our control were additional outlets being set up to engage in the sale of Chevrolet cars without the responsibilities, without any of the responsibilities that go with a Chevrolet selling agreement.

[fol. 786] Q. Did you think it was probable they would be complaining if the dealers selling through discount houses were not charging prices that stimulated price competition in their particular area?

A. I think the same situation would prevail, yes.

Q. They would complain, without respect to the prices, the dealers were selling to discount houses, is that your judgment?

A. That is my judgment. I think a Chevrolet dealer would have every right, as would any other General Motors dealer, to complain about the establishment of any other location which was not in accordance with the provisions of our selling agreement.

Even we in General Motors do not appoint other dealers without giving our existing dealer organization advance notice, and I am sure that they would expect that they would have some grounds for complaint, in the event outlets were set up through discount houses, as they were.

Q. Mr. Roche, is the Ford system of distribution substantially similar to that used by General Motors?

A. To my knowledge it is quite comparable. I am not qualified to speak on Ford problems. But to my knowledge they operate also under the franchise system of distribution.

Q. In fact, all the domestic manufacturers use a franchise system, do they not?

A. Yes, they do.

[fols. 787-789] Q. Did you observe what has happened to their franchise system in the Los Angeles area since 1960?

A. No, I am not familiar with what has happened to the Ford system of distribution in this area, or in other areas.

Our concern, of course, is what happens to the General Motors franchise system of distribution. That is the one with which we are directly concerned, and that is the one we try to follow to the best of our ability.

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[fol. 790] Q. Well, do you think leasing companies have an effect similar to discount houses in that they take potential purchasers out of the market and dilute the market for dealers?

A. If it were carried to the extreme, I would think that it could accomplish the same objective, yes.

Q. Has General Motors issued any policy statement encouraging or discouraging dealers doing business with leasing companies?

A. No. But we have a system for doing business with recognized leasing companies. And we sell a lot of cars to leasing companies.

As I explained earlier, we sell many individuals, many important industries, companies, lease cars. And they [fol. 791] lease them in very large numbers.

And some of our dealers are in the leasing business.

So it is not a strange field, and there may be certain abuses in the leasing field, the same as there is in other business enterprises, perhaps. But if there is anything affecting the distribution of automobiles, such as additional outlets, I am not aware of it.

The Court: Well, the thing that concerns me about this line of questioning is the fact that you drive an automobile around the corner and it is a second-hand car. So you are not dealing with new cars at all.

The Witness: That's right.

The Court: Isn't that correct?

The Witness: That's right, your Honor. The minute the car, the title passes to an individual's name it becomes a used car.

The Court: So if you lease a car, counsel, and drive it around the block it is second-hand, isn't that right?

Mr. Blecher: That's right, but the point was that a leasing company, in effect, takes purchases out of the market every time they lease a new car.

The Court: Oh, I see.

Mr. Blecher: It has the same effect as—

[fol. 792] The Court: Oh, I see, as the discount houses. I see. I didn't catch your point.

I don't think General Motors is trying to stop the leasing business.

The Witness: Definitely not. We couldn't if we wanted to, and we wouldn't do it because there are many good and valid reasons for leasing, not only automobiles but trucks, and many other items of equipment.

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[fol. 793] By Mr. Blecher:

Q. Mr. Roche, let me hand you a copy of a document marked Government's Exhibit 7.

The Court: What is that, counsel?

[fol. 794] Mr. Blecher: That is a memorandum from Mr. Averill to Mr. Roche, dated November 18, 1960, which attaches a copy of a letter from a dealer named John Connell in Newport Beach, dated November 11, 1960.

The Court: Thank you.

By Mr. Blecher:

Q. You testified this morning, in effect, you were not aware—as I recall your testimony—of any contact between General Motors and dealer organizations, is that correct, Mr. Roche?

A. Yes; yes.

Q. Let me invite your attention to the attachment to the memorandum Mr. Averill wrote you, that is, the letter of Mr. Connell, in particular to the paragraph at the bottom of page 2—or the middle of page 2, which reads:

“The local dealer group is already working on this thing through Mr. O'Connor and no doubt will be brought to your attention soon.”

Now, you recall reading that letter from Mr. Connell at the time Mr. Averill sent it along to you?

A. I don't know whether I have read it—I have read the letter, yes. I am not sure I read it at this time, because this letter is dated November 18th, and unless I got it on that day I was gone from the office for the following 10 or 12 days, being in the hospital. So it is possible that [fol. 795] I read it that day or it is possible I read it when I came back, but I did read it, yes.

The Court: That is by whom, you say, Connell?

Mr. Blecher: John Connell, who is a dealer in Newport Beach, your Honor.

The Court: I see.

By Mr. Blecher:

Q. Let me hand you, Mr. Roche, a copy of Government's Exhibit 12, which is a letter from Eddie Hopper of Eddie Hopper Chevrolet to Mr. Cole, general manager of Chevrolet, dated November 16, 1960.

The Clerk: That is the original exhibit, counsel. You said it was a copy.

Mr. Blecher: I am sorry.

Q. You recall ever reviewing that letter, Mr. Roche?

A. I don't remember the letter specifically. It is possible that I read it afterward. The letter was addressed to Mr. Cole and I think generally at the time those letters were retained in the Chevrolet Division. The letters I read were the letters that were referred to me, that were addressed to Mr. Gordon. It is possible I saw it; I can't answer.

Q. Let me invite your attention to this portion of paragraph 3 of page 1, which reads:

"A group of Chevrolet dealers in the Los Angeles-
[fol. 796] Orange County area are so concerned that
they joined——"

underscored in the original

"—together in order to fight this problem."

Does that aid your recollection, Mr. Roche, as to whether or not there were any discussions among the people at General Motors or at Chevrolet in which you participated, in which it was brought to your attention that the writing of these letters in November of 1960 was part of an organized effort in the Los Angeles area?

A. No, it was not—to my recollection it was not a part of any discussion we had, although I suppose it was quite apparent from the letters, at least the letters and telegrams addressed to Mr. Gordon, which I had, that there was some kind of an activity going on.

Obviously, it represented some kind of a problem or these letters wouldn't have all landed about the same time.

Q. Let me refer you back then to Mr. Gilliatt's memorandum, Exhibit 114, Mr. Roche, page 4 of this exhibit, the second paragraph, which reads:

"Since these merchandising methods have been expanding it has been a disturbing influence to the normal retail activities of Chevrolet dealers and salesmen in the Los Angeles metropolitan area, so they [fol. 797] have organized an activity of wires and letters to executives of Chevrolet and the General Motors Corporation."

Do you recall whether or not that subject was discussed at any time?

A. Well, again I think I have to refer to my previous answer, that with the volume of letters and communications that we were receiving, that something was going on that was very disturbing to our salesmen and our dealers in this area.

I don't think we needed to have formal discussion to realize that fact.

Q. The fact is, Mr. Roche, you recognized that the barrage of letters and telegrams you received all in a period of two or three weeks, starting around November 11th or 12th, 1960, were part of an organized program on the part of Chevrolet dealers in Los Angeles to bring this matter forcefully to your attention?

A. I think that that is perhaps right, but that is a perfectly normal occurrence. If there is anything that is affecting our business in the area of our dealers, I think they would feel privileged to tell us about it.

Q. I appreciate that, Mr. Roche, but what I am getting at is whether or not you recognized that these letters that you were receiving in large volume were not haphazardly coming in but were coming in because they were part of an [fol. 798] organized effort to write to you?

A. Is there anything wrong with people expressing an opinion to us?

Q. Mr. Roche, did you or did you not recognize at the time this large volume of letters and telegrams were received by you that they were coming to you because it was part of an organized effort to bring this matter to your attention, rather than an individual effort on the part of individual dealers?

A. I think that we recognized that these letters, coming in as they did, from so many different people indicated

that we had a serious problem on our hands with respect to the distribution of our products.

Q. Did you think this problem was being brought to your attention by individual dealers or did you recognize that it was being brought to your attention because dealers had decided together to write you and bring it to your attention?

A. I had no idea on that subject.

Q. Did you happen, during the time in November 1960, to question anyone in Chevrolet about the statement made by Mr. Gilliatt in his memorandum?

A. No, I had no occasion to question anybody in Chevrolet with respect to Mr. Gilliatt's memorandum.

The Court: May I ask a question? How is policy ex-[fol. 799] pressed? Can some representative of General Motors just sit down and write a memorandum and just make up a policy to General Motors?

The Witness: No, your Honor. The way this matter was handled—

The Court: I mean generally, not this matter. I am asking generally. If there is going to be a policy, isn't there some deciding group or executives that have the final say that, "This is the policy," and is that crystallized into some form?

The Witness: Yes, sir, it would be that. In this particular instance the policy with respect to the position taken in this letter was my responsibility.

The Court: What I am getting at is, these memoranda that come in from various persons, either in the field or at the home office, are they policy setting in any way?

The Witness: They would influence the action that we might take under our existing policies, your Honor.

The Court: Either for or against?

The Witness: Either for or against, that is correct. They would not necessarily have any influence with respect to changing the policy.

Letters of this kind or policy problems of this kind would be a subject for discussion among the various individuals [fol. 800] who might be concerned.

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[fol. 801] By Mr. Blecher:

Q. Now, isn't it a fact, then, Mr. Roche, that the letter which went out over your signature was, in fact, prepared by Mr. Schreitmuller, Mr. Bridenstine and Mr. Mays?

A. They participated in it, yes.

Q. Who else participated in it?

A. Mr. Crawford and myself.

Q. Who drafted the letter initially?

A. I would say that Mr. Schreitmuller did most of the leg work on the letter.

Q. Now, did Mr. Bridenstine and Mr. Mays assist him in that?

A. They counseled with him on it, yes.

Q. Now, your intention in this letter, was it, Mr. Roche, was to explain to the dealers very clearly, as you said this morning, what your position was?

A. Yes.

[fol. 802] Q. And you think that letter did that?

A. I think it did.

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[fol. 803] Q. Now, let me invite your attention to page 3 of the letter, the bottom of the page, and let me read it to you:

"The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a 'referral.' Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealers Selling Agreements."

With respect to that paragraph, Mr. Roche, what do you intend for the dealer to understand by that?

A. We intended that the dealer, for the dealer to understand that we were differentiating between a casual remark, or a casual tip, as the term is commonly used in the automobile industry, from a friend, an acquaintance, or somebody that so-and-so is in the market for a new car, or an occasional remark to someone that, if you are interested in a car why don't you go down to the X Chevrolet Company and see Joe Smith, who is a salesman down there.

That type of prospecting on the part of salesmen, the encouragement of friends and relatives, or relatives, acquaintances of salesmen to attempt to have people call on them when they were in the market for a car is quite a common practice. And of course we would have no reason to want to stop that in any way. On the contrary we thought that that kind of an approach is a perfectly normal thing for people who are attempting to make their living selling cars.

On the other hand, a very definite system for offering cars, such as we were given to understand existed in the discount houses, was quite different from this very casual and normal operation.

[fol. 805] We wanted our dealers to understand that we regarded such arrangements whereby they were regularly selling cars through the medium of these discount houses, in our view, that represented the establishment of another location and that, under those circumstances, we would regard it as a violation of the Dealer Selling Agreement.

Q. Mr. Roche, is that what you think that paragraph says?

A. That is what the paragraph says to me. That is the intent that we expected it would have on our dealers.

Q. Then why did you say "in effect they in some instances represent the establishment of a second and unauthorized sales outlet"? What did you mean by the words "in effect"?

A. Well, "in effect" where there was a regular agreement, we believe that it was a secondary location established without approval. In fact it was another location.

Q. Why didn't you say that?

A. That is what I think we did say.

Q. Oh. Now, what do you mean by "they in some instances"? What instances did they represent a second location, and what instances did they not?

A. I suppose that in some instances that if it was an occasional car, it perhaps would not have been a matter of great significance, as we covered before.

Where it was a regularly established procedure, and [fol. 806] where these cars were being offered, in effect, in unlimited numbers as a regular part of the business dealings of a discount house, or whoever might have been operating a discount desk in the store, that that very definitely, in our opinion, would have been an unauthorized sales outlet, contrary to the provisions of our agreement.

Q. How, Mr. Roche, did you expect the dealer to figure out the standards or criteria that he was to apply in determining whether or not he came into the category of "some instances"?

A. We expected that if a dealer had any questions about it that he would seek the advice of counsel who would be capable of interpreting this provision of the agreement for him.

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[fol. 807] Q. Do you know whether Mr. Cash was instructed to tell the dealers with whom he subsequently met that they were violating their Dealers Selling Agreements by the arrangements they had with discount houses?

A. I think that Mr. Cash was instructed to tell the dealers that such arrangement did constitute a violation of the selling agreement, yes.

Q. You think so?

A. Yes.

Q. Who instructed him to that effect?

A. I would presume that his superiors in Chevrolet.

Q. Well, do you know why, then, Mr. Roche, he told some of the dealers with whom he met that he couldn't tell them what to do about this subject?

A. I am not familiar with that, no.

Q. You don't know what he told the dealers?

A. I don't know what he told the dealers. I was not there.

Q. Have you read the testimony of the dealers in the [fol. 808] record on that subject?

A. No, I have not.

Q. You are not familiar with the fact that Mr. Cash, according to Mr. Bruder's testimony, said that, I can't tell you what to do about this subject? Do you know that?

A. No, I don't, Mr. Blecher.

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[fol. 809] Q. Well, now, you testified this morning, Mr. Roche—as I understood your testimony—that you did not engage in any form of concert of activity with the dealers, is that correct?

A. That is correct.

The Court: Now, counsel, by my overruling your objection—

Mr. Blecher: You have opened the door for me.

The Court: I opened the door completely for you to fully cross examine on all of the facts that are incident to that denial.

Mr. Blecher: Yes, and I thank you again.

The Court: If I had sustained it, you would not be allowed to cross examine on it.

Mr. Blecher: Yes, sir.

May I hand Mr. Roche a copy of Government's Exhibit 201, which is a memorandum from Mr. Mays, who was the general sales manager of Chevrolet, to Mr. Crawford, headed, Sales Section, General Motors Corporation, dated January 18, 1961.

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[fol. 810] By Mr. Blecher:

Q. Part of that paragraph at the top of page 2, Mr. Roche, reads:

“Knowing that the subject was being discussed with all Chevrolet dealers in the area, every dealer voluntarily told Mr. Cash that he would stop any cooperation which he had had with various discount houses in the area. Mr. Cash said that similar reaction was received by Mr. O'Connor and the other wholesale men

who had had similar conferences with other dealers in the zone and that they sincerely believed that, through this voluntary cooperation on the part of all dealers, this serious situation will be diminished to, or near, the vanishing point insofar as Chevrolet production [fol. 811] was concerned."

Now, when you testified this morning that you had no concert of action with your dealers, were you excluding these meetings Mr. Cash had with the dealers, and the meetings Mr. O'Connor had with the dealers?

A. No, by no means was I excluding those meetings, because the letter that went out on December 15th, and the subsequent letters that went out, the subsequent letters that went out all stated that the matters will be reviewed individually with each dealer.

And the matter was not reviewed generally with groups of dealers. It was reviewed individually with each dealer with whom we had a selling agreement.

Q. Well, do you think it makes some difference in your answer, Mr. Roche, that you denied the existence of any concert of action whether the meetings that Mr. Cash had were with the dealers as a whole, or whether they were individuals?

A. Our problems, Mr. Blecher, was one dealer at a time. We have individual dealer agreement with each dealership. And we discussed this problem with each dealer, as we indicated in our letter that we would so do.

Q. That is fine, Mr. Roche. My question is: When you denied for Mr. Mitchell this morning that you engaged in any concert of activity, did it make any difference at all [fol. 812] that the dealers with whom Mr. Cash met were met on an individual basis, rather than in a group?

A. No, because all dealers were visited on an individual basis——

Q. Well, now——

A. Each dealer in the zone was visited, in the metropolitan area was visited on an individual basis by some representative from the Chevrolet organization, as we indicated in the letter would be done.

Q. Well, if the dealers had met with Mr. Cash in a group, the six or seven or ten of them sitting all together with

Mr. Cash, would your answer to Mr. Mitchell's question have been the same?

Mr. Mitchell: I object to that, your Honor, on the ground it is argumentative, no such evidence that they met in a group.

[fol. 813] Mr. Blecher: Well I agree to that, your Honor, but I am trying to find out on what basis he made the denial.

The Court: I suppose I will allow it on the basis of the state of mind, to support his contention. I will allow it. It is in some ways argumentative, I grant you, but it goes to the state of mind, I think.

The Witness: I think perhaps it would have been, your Honor, because that is why we instructed them to meet individually with dealers.

We don't discuss their problems with dealers in groups, other than general merchandising problems and things such as that. If we have a problem with respect to any interpretation of our selling agreement, that is a matter for individual concern and action with the particular dealer involved. It is not a matter of common interest or common problem with other dealers.

By Mr. Blecher:

Q. I am not sure I understood the first part of your answer. Did you say that your answer to Mr. Mitchell's question this morning would have been different—

A. No, I did not.

Q. You said it would not have been different?

A. It would not have been different; that is right.

Q. In other words, it didn't make any difference whether [fol. 814] Mr. Cash met with the dealers as a group or individually?

A. No, no, I didn't mean to convey that impression at all.

Q. I am confused. Please straighten us out.

A. What I did say was that the letter was for the express purpose of informing each dealer that the matter would be discussed with him. That we did not expect—we did not want to discuss this problem in a group.

This was a matter of individual contract, selling agreement interpretation with each dealer, and, therefore, a matter for handling with each individual dealer and not on a group basis.

Q. Why not on a group basis?

A. Because if it were handled on a group basis I suppose we could have been charged with a conspiracy in conspiring with the dealers a group to accomplish this discount house referral elimination.

Q. You think that confusion is altered by the fact that Mr. Cash met with the dealers each individually, as opposed to a group?

A. Mr. Cash met with each dealer individually to discuss a problem that had specific application to that dealer and interpretation of that dealer's selling agreement, yes.

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[fol. 815] Q. And now, I take it from the responses you have given me, Mr. Roche, that after you wrote this letter [fol. 816] you more or less divorced yourself from control over this problem?

A. I don't—I wouldn't say that I divorced myself from control over the problem. I think that this, as with any other matter, that would come under our surveillance in the central office of the corporation and staff activity, would be that after these instructions to the field organizations that the matter would be handled as we had requested, and that if there were any further problems along those lines that they would be brought back to our attention.

Q. Now, do you know of any provision in the Dealer Selling Agreement, Mr. Roche, which prohibits a dealer from entering into a bona fide arrangement with a third party by which that third party aids the dealer in selling cars?

A. Yes.

Q. What provision is that?

A. We have a provision in our contract that the individual cannot sign or transfer any of his responsibility to a third party.

Q. Well, now, do you know whether or not, for example, under the Dealers' Diversified Service arrangement with Warren Biggs, or Bruder Chevrolet, whether there was a transfer of any obligation under the agreement?

A. I am aware of no transfer of obligation, no.

Q. Have you ever considered putting a provision in your [fol. 817] Dealer Selling Agreement, Mr. Roche, which

would deal with the bootleg problem, with the discount house problem directly?

A. Yes, we have.

Q. How long ago have you considered that matter?

The Court: What does this lead to? What is the relevancy?

Mr. Blecher: The relevancy, your Honor, is to show that the construction of this agreement, by saying discount houses were branch locations, was just an afterthought, that they had long considered the possibility of amending the agreement to cover this sort of situation, specifically, and that they recognized that this provision of the agreement would not be, could not be construed—

The Court: Go ahead, I will allow it I will allow the answer.

The Witness: The provision with respect to the establishment of another location has been in our Selling Agreement for almost a quarter of a century. So certainly it is not an afterthought.

It is a living document that—a living part of our contract, the Selling Agreement which has been with us for a long, long time.

We did consider the bootlegging problem, we have considered it on many different occasions, going back ten or [fol. 818] twelve years.

And we have had a great deal of experience with it. We have expressed our opinions to our dealer organizations on many occasions, from the top executives of our corporation down through our field organization.

And we even took the matter of the bootlegging problem to the Department of Justice for an interpretation back, I think in 1954. And we were given an interpretation which, rightfully or wrongfully, convinced us that there was very little—that there was nothing that we could do about a bootleg sale as such, because a dealer had a right to sell a car to anybody, at any time, at any price that he selected. [fol. 819] However, in recognizing that right we have consistently pointed out to our dealers that we do not subscribe to that system of operation, we do not condone it. We think it is harmful to their business as well as ours, and the good name of our product. That has not stopped the bootlegging problem, though. It is still with us, but

it is not serious. But, nevertheless, it is not completely eradicated.

[fol. 820] Q. Was the policy of General Motors, where you find a dealer has violated his agreement, to repurchase cars that he sold?

Is there any policy promulgation on that, Mr. Roche?

A. No, a dealer would be under no obligation whatsoever to repurchase any car that he sold.

Q. You don't think he would refuse if someone from General Motors asked him, do you, Mr. Roche?

[fols. 821-822] A. It is quite conceivable that he would, yes. He might or might not. He certainly is under no element of compulsion to do so.

[fol. 823] June 19, 1964.

JOHN F. GORDON, called as a witness on behalf of Defendant General Motors Corporation, having been first duly sworn, was examined and testified as follows:

Direct examination.

By Mr. Mitchell:

Q. What position do you hold in General Motors, Mr. Gordon?

A. I am president and chief operating officer of General Motors.

Q. I would like to have you give us a brief history of your career. Let's start with your college times and [fol. 824] briefly run through until the time you became president of General Motors.

A. I was graduated from the U. S. Naval Academy at Annapolis in 1922 and received a master's degree in mechanical engineering from the University of Michigan in 1923.

I joined General Motors shortly after I received my

master's degree at the Cadillac Motor Car Division in Detroit.

I was with Cadillac for approximately 20 years before I reached the position of chief engineer of the Cadillac Division in 1943.

In 1946 I was elected vice president of General Motors and general manager of the Cadillac Division.

In 1950 I was made vice president in charge of the engineering staff activities of the corporation, and in the following year I was made group executive in charge of the body and assembly divisions of the corporation. I stayed in that position until I was elected president in September of 1958.

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[fol. 825] Q. When did the use by Southern California dealers of discount houses as sales outlets first come to your attention?

A. Oh, I would say about the middle of November in 1960 when I received multiple letters and telegrams from dealers and dealer's salesmen, and sales managers operating in the Southern California area.

Q. Were these confined to Chevrolet dealers, or to dealer's salesmen?

A. No, they were broader than that. There were—I remember one specific letter which came from a dealer association which involved all dealers.

Q. What dealer association was that?

A. I don't remember the specific name of it, but it was a general association of automobile dealers. As I remember there were 50 or 60 dealers in that particular association.

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[fol. 827] Q. You spoke of a dealer association which included all makes of cars, you mean rival makes such as Ford, Rambler and so on?

A. Oh, yes, yes.

Q. You say these letters came in quantity?

A. Yes, they did.

Q. And did that give you the impression that some sort of a letter-writing campaign was going on?

A. Oh, yes. Whenever you receive letters or wires in batches very closely timed, you recognize that there is a campaign of some type going on.

Q. Did you know what these dealers were doing, or how they had gone about it?

The Court: Now, that means did you know, did you know personally.

The Witness: Well, I know this, the letters and wires which were sent carried many allegations and claims by the dealers as to what was going on.

The Court: No, that is not what he asked you. He asked you if you knew what was going on.

[fol. 828] The Witness: No.

The Court: All you knew was what they were telling you, isn't that right?

The Witness: That is correct, your Honor. No, I did not know what was going on.

By Mr. Mitchell:

Q. What did you do with these letters and telegrams?

A. I read enough during the first few days to be familiar myself with the contents and the allegations, the charges that were in the letters and wires.

And then I sent them on through normal channels, through the distribution staff for consideration.

Those which arrived subsequently to, I would say, the first week or so, were just automatically routed to the distribution staff for handling.

[fol. 829] Q. Did these letters cause you, as president of General Motors, any concern?

A. Oh, yes, great concern, naturally.

Q. What were you concerned about?

A. I was concerned about the disruption that was indicated in our retail distribution system in this particular area. I was concerned because of indication here that we were moving into an area there which could be very disruptive, you might say, of our planned distribution facilities in the area. And that it was bound to cause us a great deal of worry and trouble.

Q. In what way were you thinking it would be disruptive to your plan?

A. Well, over the many years I have been associated with General Motors we have developed what we feel is, if not an ideal distribution system, franchise system, it is about as close as we know how to make it at the present time.

This was very evidently a force coming into the field that was bound to have serious effects on our distribution setup in this area.

Q. How did you think that sales by dealers through discount houses would have a disruptive effect?

A. Well, having studied the distribution system, along with the other factors that we have in the operation of the corporation, I have great respect for what is evolved from [fol. 830] what I would call the school of experience in the merchandising area.

There have been times, of course, when there were excursions away from the present franchise system due to various conditions, and it seemed to me that this was another one of the same type of thing, which is bound to, let's say, disrupt or eat into our distribution plans.

Recognizing those plans have evolved over a period of many, many years, changes of the magnitude that could be indicated here could bother a great deal.

Q. What I am trying to ask you, Mr. Gordon, is how it would bother the plan to have dealers use discount houses as sales outlets.

The Court: What he is asking you to do is descend to specifics.

The Witness: Yes, your Honor.

The Court: Give us a bill of particulars.

The Witness: In the specifics area our policies relative to distribution require or indicate that there is a desirable number of dealers in any given metropolitan area or any area of the country, as far as that goes, which is correlated to the actual requirements of that area for the sale and servicing of cars and taking care of the customers who purchase those cars.

The Court: May I just ask a question?

[fol. 831] The Witness: Yes, sir.

The Court: I take it what you are saying is that encompasses both research and experience.

The Witness: Yes, sir.

The Court: And, as a matter of fact, I take it you started with General Motors in what, 1922?

The Witness: '23.

The Court: So you have more or less grown up with the development, is that right?

The Witness: To a considerable extent, yes.

The Court: And when you use the term "experience", which, of course, is a most important thing in any business, are you talking about records that have been kept, reports that have been made by the various and sundry representatives in the employ of General Motors throughout the years?

The Witness: Yes, the very fact that we have a relatively large staff in the corporation and a comparable group of men in each division who devote their entire time to problems in the marketing, merchandising, distribution area, is indicative of the amount of material that we gather, the records that we keep, the information we have to have to enable us to determine the correct number of dealers and the correct locations for those dealers, so that we are enabled to merchandise the number of cars that we would like to merchandise.

[fols. 832-833] At the same time that we do not put in the hands of our dealers excessive quantities of automobiles in relation to the market needs, and that we are in a position to satisfy our customers' requirements at any time in any location, any place in the United States.

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[fol. 834] Q. You say that your concern arose out of the fact that you want the correct number of dealers in the correct places. Those were approximately the words you used.

What do you think this discount house arrangement type of selling does to the correct number of dealers in the correct places?

A. Well, it establishes the possibility of almost unlimited number of additional points of contact with customers for the sale of automobiles.

It actually—acceptance of it means our waiving of the control over dealers operating from a single location or our provisions in the selling agreement of not allowing a dealer to establish an additional outlet.

[fol. 835] Q. When you say provide for an almost unlimited number of contacts, are you referring to the possibility of an almost unlimited number of business establishments where Chevrolet cars would be sold in an area?

A. Practically unlimited number of additional outlets, yes, for contacting retail customers.

I might add that in addition to the number, it also provides, you might say, for unlimited, or uncontrolled location of those outlets in relation to the geographical pattern of distribution, which we think is an integral part of having a good retail selling organization, and the placing of that organization.

Q. Do you make any effort to avoid the haphazard location of outlets for sale of your cars?

A. Oh, certainly. We moved into that position 25 or 30 years ago, in which we moved from the study of a metropolitan area, as an area, into a neighborhood study, you might say, in which we broke down the sales records and the potentials of, into very small increments within a metropolitan area to assist us in getting proper locations for these retail outlets.

Q. Do you think additional outlets would dilute the sales of your correct number of dealers and the correct locations?

A. I think experience has demonstrated that rather force- [fol. 836] fully, yes.

It is necessary for any dealer, or for us in a position to get a dealer to take a retail location, it is necessary, of course, that there be adequate gross profit potential from a location and the investment standpoint, that he be in position to make a fair return on his investment. Otherwise you wouldn't be able to influence or to persuade anybody to go into the retail automobile selling area.

Q. After the receipt of these letters and your turning them over to your distribution department, did you have any discussions about this problem with Mr. Roche?

A. Yes, I did.

Q. Or anyone else in the distribution department?

A. Yes. I think I spoke to Mr. Crawford maybe one or two times during the interval in which the letter was being developed, rewritten.

Q. What did you talk about?

A. About the same type of thing we always do when we are either working on the development of a policy or

a letter, or things of this type, as to what progress is being made, what direction the contents of the material are moving. And as a general rule when we will be in a position to actually send that material out—always looking towards [fol. 837] the finish of the job, I would say.

Q. Was there any discussion of the position which General Motors would take on this problem?

A. Oh, yes, certainly. Any time that there is a policy or a restatement of principles or policies, or explanations of the corporation's position, there is always great interest, of course, to be sure that it is in conformance with, not only with my thinking, but with the thinking of the whole governing group of the corporation.

Q. Was there any discussion about making General Motors' position on this discount house problem known to all of the General Motors dealers throughout the United States, in all of its makes of cars?

A. Oh, no, that was understood. In other words, we would never take a position of this type on a segmental basis.

We always have to work on the basis that our policies and our principles are equally adaptable to the sales force and the dealer organizations of each of the divisions representing General Motors in the field. So that we would never be in a position to move in relation to just the Chevrolet dealers, say, as a segment, or Buick dealers as a segment.

We have to look at it from the corporate standpoint. So that is equally applicable to all of the dealer groups.

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[fol. 838] Q. In these discussions with Mr. Roche that you had, after turning the letters over to the distribution department, what were you planning to do with respect to this policy that was being developed, or this position that was being developed by the staff?

A. It was our intention to make known that position to all dealers.

Q. Of the General Motors Corporation?

A. Of General Motors Corporation.

Q. Throughout the United States?

A. That's right.

Q. That is what you talked about?

A. That's right.

The Court: In other words, if I understand you, you were just facing up to the problem that affected the corporation, [fol. 839] and all of the executive department in what to do, is that right?

The Witness: That is correct.

The Court: And what action to take?

The Witness: That is right.

The Court: I take it that is true in every instance where problem arises of major importance?

The Witness: Practically always, yes.

The Court: In other words, General Motors, having been in business over the many years, you have a rather definitely defined policy, sometimes you don't require any discussion at all, is that right?

The Witness: That is correct.

The Court: But when some problem arises that tends to create additional problems, then I assume that the executive department, meaning the members up through your echelon, sit down and go over it and try to find out what to do about it, is that right?

The Witness: That is correct, your Honor. Our form of organization has been publicized quite often as one of centralized policy control.

And on that basis it is—it is a requirement, you might say, that we do have a centralized policy control so that the different divisions and activities of the corporation are not working at variance with each other in policy matters, [fol. 840] whether they lie in the area of distribution, marketing, public relations, personnel relations, legal, financial, and all of the different staff activities which we carry on as a part of our centralized organization.

[fol. 841] The Court: What I would like to ask you, too, is, where does lie the final authority to make the decisions?

The Witness: Well, to answer that particular question, your Honor, I think you would have to know a little bit about the organizational structure of General Motors.

With your permission I—

The Court: Briefly yes. I think it might be the thing. I want to find out whether or not you make these decisions,

and I take it you have your executive committees and committees——

The Witness: Yes.

The Court: —you have the board of directors and you have your officers, your vice presidents, who are assigned to various functions,——

The Witness: That is correct.

The Court: —and on down the line.

Now, the thing I am getting at is, when you have a problem of this kind do you make your decisions there in Detroit or do you depend upon some—other than facts, I am not talking about facts now. Do you depend upon any advice from any other source to determine your findings?

The Witness: No, your Honor, we do not. We make our decisions based entirely on our own findings. But, of course, in the consideration of the facts going into those decisions we make every attempt to give consideration to [fol. 842] the equities of all the other people that are involved. We give every consideration, of course, not only to the legality but also to the appearance, you might say.

The Court: I take it there are times and times when you get recommendations from district managers, zone managers and from groups within your own organization and you don't follow them at all. That probably happens, doesn't it?

The Witness: Quite right, frequently.

The Court: If you followed the advice given you probably you would have a different financial report nowadays.

The Witness: We would have utter confusion.

By Mr. Mitchell:

Q. In your discussions with Mr. Roche, did you instruct him to consult with any dealers or dealer associations on the position General Motors could or should take on dealers' use of discount house outlets?

A. No, I did not.

Q. Did you yourself consult or cause anyone to consult with any dealers or dealer associations in deciding what position to take?

A. No.

The Court: Did you instruct anyone at any time to do just exactly that?

[fol. 843] The Witness: I didn't instruct anybody on the distribution staff, including Mr. Roche, to do anything specific, your Honor.

The Court: All right.

The Witness: We don't operate in General Motors on that basis.

By Mr. Mitchell:

Q. Are you interested in what your dealers think about various distribution problems?

A. Oh, certainly, intensely interested. That is demonstrated by the fact that we have dealer counsel meetings and we council with the dealers in many cases many times on all kinds of subjects as they affect their particular part of the business, their area of business, I should say probably.

Q. After the distribution department had worked on this problem, was there submitted to you for approval any statement of General Motors' position?

A. As I remember it, I think I may have even looked over some proposed drafts of this—you are speaking of the Roche letter specifically?

Q. Yes.

A. I am not too clear on that point, but I have a feeling I probably looked over drafts before the final draft was reached. But I am fairly certain that I looked over the [fol. 844] final draft very carefully and discussed it with Mr. Roche before it was ever ready to go out, yes.

Q. Did you approve its sending?

A. Yes, I did.

Q. Why?

A. Because I felt it was the best thing to do for General Motors, under the circumstances that existed in the field.

Q. At that time did you know the names of the three different dealers associations; Losor Dealers Association, Foothill Dealers Association, Dealers' Service, Inc.?

A. No, I did not. I didn't even know there were associations here of that type.

Q. Did you know whether or not the dealer associations or any of them had had anything to do with this letter campaign that was visited upon you?

A. No.

The Court: May I ask a question there?

These letters that were coming in, you heard, of course, about these protests that were coming in?

The Witness: Oh, yes, I read a number of them.

The Court: You considered those to be from whom?

The Witness: I considered them to be from the people who signed them. I recognized the fact there must be a campaign.

[fol. 845] The Court: I mean, was it a group? Was it a group of dealers or individual dealers or just what did you consider them to be?

The Witness: All those I remember, your Honor, were signed by individual dealers or by salesmen or employees of dealers. I don't remember any that carried any other designation in the signature than that.

By Mr. Mitchell:

Q. Well, Mr. Gordon, speaking for yourself and the part you played in this program of General Motors, did you combine or conspire or act in concert with any General Motors dealers or any dealer associations?

A. No.

Mr. Mitchell: Cross-examine.

The Court: Well, I would like to further question. If I may ask it, this question, since you have opened it up:

To your knowledge, did you ever do or attempt to aid in any way the Chevrolet dealers in this area simply for the purpose of appeasing them or taking up the problem of solving their difficulty?

Do you understand the question?

The Witness: Yes, I understand—

The Court: It is the motive. I am getting at the motive, why they acted.

[fol. 846] The Witness: The motive.

The Court: What was the motive behind the action, solely the motive?

The Witness: No, I might say this, your Honor: From the standpoint of my position in General Motors I never act on the basis of a segmental group, whether it is in distribution or any other phase of the business, because—

The Court: Maybe I framed the question badly. I think I probably did.

What I am getting at is this: Let us assume that you had considered that it wouldn't have injured General Motors at all, only it might have harmed some dealers, would your actions have been the same?

The Witness: My action is always going to be on the basis of what is the best policy for General Motors to follow.

The Court: So I take it what you are saying here is that—let's put it very bluntly—what I gather you are saying is, "I was representing General Motors first, last and always"?

The Witness: Always.

The Court: All right.

The Witness: And nobody else.

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[fol. 847] Cross-examination.

By Mr. Blecher:

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[fol. 848] Q. Apart from your motive, Mr. Gordon, I am asking you whether or not, in taking the action that the dealers urged you take, namely, to eliminate the sales of Chevrolets through discount houses, you did not recognize that the necessary result of such action would be to eliminate some competition among the Chevrolet dealers in this area?

A. No, I did not. I don't think I ever have taken any action or considered any action which would eliminate competition in any segment of the business.

[fol. 849] Q. Perhaps I am inarticulate, Mr. Gordon. I am not asking what your intention was, simply whether or not you recognized first that the dealers were complaining to you about competition.

A. I recognized the dealers were complaining about competition and other things.

Q. And you knew, did you not, from reading the letters which you observed, that they were asking General Motors to do something about that competition, did you not?

A. My own impression of it was that they were asking

General Motors to, you might say, to restore competition on the basis of our franchise system of distribution.

Q. Were you aware that the competition created by the so-called discount house situation was, in fact, competition among Chevrolet dealers in the Los Angeles area?

A. I think it is broader than that,—if I may be pardoned for saying so.

The competition which you are speaking about goes beyond the Chevrolet dealers in the Los Angeles area. It extends to all dealers in the area, both competitive makes and makes within the corporation.

So that there is plenty of competition.

Q. That may well be true, Mr. Gordon. But what I am [fol. 850] asking you now is whether or not you were aware of the fact that the sales being made through discount houses by some Chevrolet dealers, in fact, created competition among Chevrolet dealers in this area?

A. I don't think they increased the competition, if that—

Q. Do you think they decreased the competition?

A. No, I don't think they altered the competitive factor one iota. I think there was already as much competition in the area as could be achieved, both as I indicated both through our own dealers and through competition with other dealers.

Q. Don't you think—

A. So that—

Q. Excuse me.

A. So that establishing additional outlets of the type that you are talking about, in my opinion, did not increase the competition one iota.

Q. And what was it that you understood the dealers were complaining about in terms of competition?

A. My opinion there, my feeling was that the dealers felt that in establishing these points of contact with the customer, selling points on the product, that there were things going on in the retail end of the business which they were prohibited from doing by their own selling agree-[fol. 851] ments, and that the utilization of these additional points by other Chevrolet dealers in this area was resulting in giving them, you might say, or allowing them an unfair advantage.

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[fol. 852] Q. Mr. Gordon, did you not perceive, as you read the salesmen's letters and the dealers' letters, that they were complaining to General Motors about price competition created by Chevrolet dealers selling through discount houses?

A. They were complaining to us about conditions existing in the Los Angeles area in the retail merchandising of automobiles.

Q. I take it then you deny that you perceived from these letters that they were complaining about price competition?

A. I didn't deny anything.

Q. Well, were they or were they not, as you perceived these letters?

A. They were complaining about competitive conditions in the Los Angeles area, yes.

Q. And in complaining about competitive conditions, didn't they ask you to do something about it?

A. Yes.

Q. Didn't you realize that if you did something that you would be somehow affecting the nature of competition among the dealers here?

A. Somehow affecting it?

Q. Yes.

[fols. 853-854] A. Certainly.

Q. And if, in fact, there was price competition created by dealers selling through discount houses, any steps which General Motors took to prevent such sales, in fact, affected that price competition, did they not, Mr. Gordon?

A. You introduced price competition in there in the phrasing of your question. And that was not a part of my answer, because in my opinion, as I have said before, price competition was in this area to the maximum before this ever came into the picture.

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[fols. 855-856] Q. Mr. Gordon, is it your understanding that the people that were buying cars at the discount houses were not saving money, at least in their own minds?

A. It is my opinion that many people have been influenced to purchase things under the aura of a discount procedure such as is applicable to discount houses here, and probably still is.

But I don't think that I am in a position to sit here and indicate what was in people's minds, or what was the motivating factor for their purchasing automobiles.

The Court: Well, we must face up to it, in some cases discount houses do give a better price, don't they?

The Witness: Yes.

The Court: There isn't any question about that.

The Witness: I think that is true, yes.

The Court: So they are——

The Witness: But not as a general rule.

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[fol. 857] Q. Your dealer distribution system is established, Mr. Gordon, in a way you think will induce the purchaser to buy a car generally, as a general proposition, in the proximity of the place where he lives, is that correct?

A. Essentially, yes.

Q. Therefore, a person in the San Bernardino area would, under your scheme of things, likely buy a car in the San Bernardino area, would he not?

A. Well, let's say the odds would be more favorable that he would buy in the San Bernardino area.

Q. What factors then, Mr. Gordon, in your judgment, would impel a man to get in his car in San Bernardino at a referral service Fedco Store and drive 60 miles to Warren Biggs' place of business to find out whether he could buy a car there cheap?

A. Would you state your question again, please?

Mr. Blecher: Mrs. Wright, please.

(The question was read.)

[fols. 858-859] The Witness: I imagine there again I have to project myself into his position as to what would be motivating him. I would presume, under the circumstances, that he felt he would be getting a better deal on that basis than he would be to go to anyone else.

By Mr. Blecher:

Q. You think all the people, Mr. Gordon, who are engaged in this sort of traveling back and forth to referral services, to dealers, these distances were under an illusion they were saving money?

A. I didn't say they were under an illusion they were saving money. I say in the opinion or in the mind of the person that was doing it he must have felt he was saving money or achieving something.

* * * * *

[fol. 860] Q. Well, do you believe that, having taken steps to eliminate the sale of Chevrolets to discount houses, in the early part of 1961, that your action in that regard has had any effect whatsoever on price competition among dealers in this area?

A. If you restrict it to price competition, I think it had no effect.

Q. Suppose I just eliminate the word "price", do you think it has had any effect on the nature of competition among and between Chevrolet dealers in this area?

A. Between Chevrolet dealers in this area?

Q. Yes.

A. Yes, I think there has been some effect there.

Q. What effect do you think it has had in that connection, sir?

A. That all Chevrolet dealers are operating on a comparable basis now in relation to competitive conditions.

Q. You mean you have more or less prohibited dealers from cross-selling?

A. No, no, not at all. We have never prohibited dealers from cross-selling.

Q. Didn't the elimination of discount house outlets by Chevrolet dealers have the effect of at least suppressing the ability of dealers to cross-sell?

A. No.

Q. Did you understand as you read the letters from dealers and salesmen that that was one of the natures of their complaint, namely, that dealers from the city, for example, were invading the province of the Orange County dealers?

A. No, I don't think that the Chevrolet dealers felt then or feel now that we have ever done anything, from a policy standpoint, which would affect their right to cross-sell.

Q. You don't think that the ultimate steps taken, to eliminate the sale of Chevrolets through discount houses has had any effect in that area whatsoever?

A. I don't think we have taken any steps here that would have any effect on the cross-selling right of dealers.

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[fol. 863] The Court: Now then, the question is whether or not that competition was the thing that caused you to make—you or your company to make the final decision, or was it evolved because all the standards were different between, say, the discount house and the Chevrolet dealer, the equipment involved and the maintenance of the cars, and all the other things that went into it.

What I am trying to get at is, you didn't just go out and say to yourself or to your group, "We are going to do this, but we are not considering—we will just eliminate any thought about price"? Or did you not discuss it?

[fol. 864] The Witness: We didn't discuss the price factors at all because we have recognized for a long period of time that we have no control nor do we attempt to have any control, nor do we want to appear to have any control over the dealer's right to sell his automobiles, once the title passes to him, to sell his automobiles to anybody, any place at any price that he may wish to put on it.

[fol. 865] The Court: All right. Then why did you wish to stop the discount house business? What was back of the philosophy of your action?

The Witness: Well, I think I have already answered.

The Court: I know it, but I would like to have it again. You know there is a certain thing called cross examination, sometimes a lawyer asks the same thing two or three, four or five times.

The Witness: Yes.

The Court: And they do it for a purpose.

The Witness: Well, I will go back to an action just last week in which I was signing the papers to put a new dealer into operation under our Motors Holding operation——

The Court: You mean a new Chevrolet dealer?

The Witness: A new Chevrolet dealer in another city.

The real estate alone on that dealership amounted to \$900,000.00. That is outside of all his operating capital.

In other words, we are asking a young man—he happens to be a Los Angeles resident—to go into a dealership, take over the operation of business and make a return on in-

vestment with an initial investment of around a million [fol. 866] and a half dollars. And that is a great responsibility.

I was very much interested in it because under the Motors Holding agreement, of course, we are furnishing a good part of the franchise capital for that dealership.

I want him to be a success. In looking over the figures applicable to that dealership, the gross profit potential, all the other factors and other things, he has to sell a very sizeable number of units each year, of course, to make a return on that investment.

And I am very anxious that he does sell that number of units per year.

So I am going to do everything within my power, legally or any other wise——

The Court: You mean any other wise legally?

The Witness: Any other wise legally, yes.

(Laughter in the courtroom.)

The Witness: —to be sure that he has the opportunity of doing a good job to make a return on his investment. But also to represent us in a way that it will build up our future business in that area, along with his future business.

The Court: What you are saying is that it wouldn't add to the company to have him sell, over a period of five years, a hundred thousand automobiles if it ended up by giving you a black eye.

The Witness: Absolutely. We are building for the [fol. 867] future.

The Court: Just one other question and then I am finished, counsel.

What I am trying to get at, it is a rather difficult thing to do, and that is with this involvement of equipment, service, many other things, the discount house, of course, does not have any of those things.

The Witness: None.

The Court: And how in—if you will just say once again very briefly—in what different ways would the discount house do a disservice, that is, trading at the discount house would do a disservice to the distribution of Chevrolet automobiles?

The Witness: Well, it starts right in with the facilities and service picture which you more or less touched upon.

They are not equipped, either as a location, or facility, to do the right kind of job for General Motors.

They are not equipped from the service standpoint to follow on. They are not equipped to maintain, through attention to the customer's needs during the interval of time in which he owns that car, operates that car, they are not equipped in any way to be of service to him, to maintain his loyalty to our product.

[fol. 868] The Court: Well, I am wondering if the thing that doesn't strike me as one of the obvious factors, and that is if you—if I can sell a Chevrolet, a Plymouth and Ford—it is just like a grocery store, if I have a clerk in a grocery store and I have got three brands and someone comes in, they don't promote any brand at all. But if you just have one brand, you promote that. I think that is rather important, isn't it?

The Witness: Very important.

The Court: In other words, if you come in and ask for one type of sardine and you have got three types on the shelf, you can say, take your pick.

The Witness: You see, brand loyalty is the most important motivating factor for the sale of new cars.

The Court: I take it you like a salesman who just keeps saying Chevrolet is the best?

The Witness: Absolutely.

The Court: Go ahead, counsel.

By Mr. Blecher:

Q. Mr. Gordon, what I don't understand about this colloquy is why you believed that the sale of Chevrolets from discount houses was going to adversely affect any single dealer? What does that follow?

A. As I indicated before, Mr. Blecher, the proper, most adequate solution of retail distribution is to have the [fol. 869] right number of dealers of the right type in the right location with the right facilities for both sales and service of our product.

The discount houses do not meet any of those requirements, in my opinion. And any of those factors, or any factor in this business, or any location in this business which does not meet those basic requirements of good retail selling is bound to have an adverse effect over the long

pull, or even over a relatively short pull, on the established franchise dealers of the corporation.

Q. Well, how did you expect them to sell enough cars, if the system was so bad, to have any adverse effect on anyone? Why wouldn't they just fold up, like the 3,000 other cars that were in business here throughout the history of the automotive industry?

A. Quite a few times in the past I have seen other organizations over-dealered in certain cities of the country. And they always end up in difficulty.

I think it would be equally applicable here, because what this amounted to would be equivalent, the equivalent of appointment of a number of additional dealer outlets in this area.

Q. Then why was it equivalent, Mr. Gordon, if there were no sales service facilities, no parts to be sold, no experienced salesmen on the floor, no sign indicating it was a [fol. 870] place of Chevrolet business, why would you say it was the equivalent?

A. Because it was the opportunity, in establishing a given location, to contact customers who were in the market for a retail purchase of an automobile. And those particular customers were not exposed to the franchise dealers, in this case.

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Q. So then if this system was so bad, why wouldn't the normal competitive effect of the dealers take care of it?

A. I didn't exactly say the system was so bad. I just said that our franchise system was much better.

Q. Well, then, I don't understand why you didn't expect it to die of its own accord.

A. In the process of dying of its own accord, if this interval extended over any extended period of time, I [fols. 871-872] think we would have had considerable mortality among our own dealers.

Q. What would cause that mortality, Mr. Gordon?

A. Having too many outlets in the metropolitan area.

Q. You mean just because there are outlets dealers would go out of business?

A. Yes.

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[fol. 873] Q. Let me rephrase it for you, Mr. Gordon. Is there any doubt in your mind that the dealers who were doing business with discount houses were creating competition for those dealers who were not?

A. I think any sale is made, no matter how it is made, of course, is creating competition, yes.

Q. Wasn't it perfectly obvious to you, Mr. Gordon, that if you took any steps to stop the dealers from doing business with discount houses, that you would be eliminating that competition?

A. But I don't think we were taking any steps to eliminate sales.

The Court: What he is asking you is—I think you can give a yes or no answer—that is, by stopping the use of discount houses you were stopping at least that phase, if it was, of competition, isn't that right?

The Witness: That is right.

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[fol. 876] The Court: I thought what I would like to do, if it would meet with your thinking, is that I think I might be wise to finish reading this material.

If I have your proposed findings and I have done some study, then I will be in a better position to do what I call the Socratic discussion. I think most lawyers prefer that because if I have a lingering misconception of something, you have an opportunity to eliminate it, you decide by me, so to speak, talking it out with you. I learn where my mistakes are then. It might even prevent a reversal on appeal.

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[fol. 877] The Court: What would you say to this idea?

Mr. Blecher: I think it is a fine idea. I am all for it.

The Court: Judge, what do you think, how long will it take to work out your proposed findings?

Mr. Hansen: I can't intelligently answer that at the moment, but I certainly agree with preparing the proposed findings and then arguing afterward.

The Court: You see, I can go through the copy of the proposed findings, check-mark something, and go back to the

record and read it and review it, and when I come in here for argument I am in a position to know a little bit about what I am talking about.

Mr. Mitchell: Yes.

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[fol. 878] The Court: Let's have the understanding at the conclusion of this testimony we will not go forward with any argument and we will expect each side simultaneously to present their-proposed findings, lodge them with the court [fol. 879] and be sure and lodge a most legible copy, which I will want to work on, and then we will set this matter down for argument. Do that before we leave the courtroom on Tuesday, is that satisfactory?

Mr. Blecher: Satisfactory.

Mr. Hansen: Satisfactory.

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[fol. 880] By Mr. Blecher:

Q. Mr. Gordon, is it your view that the franchise system of distribution, as it is now established by General Motors, would not survive if there was too vigorous a degree of competition among and between the dealers?

A. I don't think you can have too vigorous a degree of competition among and between dealers.

Q. What I mean is—let's just suppose we have a dealer up in Glendale that would decide to come down into Orange County and sell cars at prices there that were substantially below what the going market price was in Orange County. Do you think that would have an effect, a serious effect on the franchise system?

Mr. Mitchell: I object to that question on the ground of ambiguity, whether he is coming down there with someone else or by himself, or—

Mr. Blecher: By himself, Mr. Mitchell, by himself. He [fol. 881] has got people knocking on doors.

The Witness: You mean on a cross-selling basis?

By Mr. Blecher:

Q. Yes.

A. That he would be cross-selling in that area?

Q. Yes, vigorous cross-selling at low prices. Do you think that would have any effect on the franchise system?

A. Well, as I have said several times, cross-selling has never worried me. Nor does the price competition of individual dealers worry me, because I believe that the competitive situation in that area will take care of that.

Q. Well, I take it then from your answer that we could say that you don't believe that a Glendale dealer coming down and vigorously soliciting sales in the Orange County area at low prices would have any effect at all on the franchise system?

A. No. My answer to that would be that I would not attempt to influence that dealer in any way, from a policy standpoint, if that was his desire.

Q. Well, apart from whether or not you would determine to influence him, Mr. Gordon, what I am searching for is what you believed the effect of that sort of conduct would be upon the franchise system.

[fol. 882] A. I don't think that the long range effect would be great on the franchise system, so long as he operated on a cross-selling basis.

If, however, he were to establish another outlet in that area, then I think the effect would be quite adverse.

Q. That is, you believe he can sell more cars outside his territory if he has an outlet to use than he could if he had no outlet?

A. It would depend a great deal on how he operated that point.

There again, it is conjectural thinking, as far as I am concerned. I have no way of determining in advance what might happen in such circumstances.

Q. But you don't think that a Glendale dealer selling at low prices in significant volume in Orange County would have an effect on dealers down there at all?

A. Oh, certainly it would have an effect on dealers.

Q. Well, do you think it might dilute the market in the Orange County area to a point where one or more of the dealers might have to go out of business?

A. You say dilute the market—

The Court: Yes, dilution. I wonder what you mean by dilute.

Mr. Blecher: That is their word, your Honor.

[fol. 883] The Court: Yes. And I wondered when they used it what it meant. I don't understand.

Mr. Blecher: This is what I am trying to get at. I don't understand myself and I am trying to find out from the witness how a market is diluted.

The Court: Yes.

The Witness: Well, that really wasn't your question. I will go back to your question.

I happen to feel that in a given area, such as you are mentioning here, and probably based on our own research, statistics and so forth, that there are about so many current potential sales in that market.

And that those sales can be achieved by a good retail distribution setup in that area.

Now, if somebody comes in on a cross-selling basis, it certainly is going to affect the distribution and sales by the dealers in that area.

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[fol. 884] Q. Now, can't you fairly conclude from that, Mr. Gordon, if a number of dealers engaged in vigorous cross selling activity, wholly apart from any discount house outlets, that there might be, because of such activity, a serious effect on the franchise system as you now have established it?

A. I think any activity along that type, over a period of time, will certainly have an effect, yes, on the retail distribution.

And I think the general effect of excessive amounts of cross selling would be to put dealers in a more precarious position in those areas in which there is concentrated cross selling.

Q. Isn't there——

A. I hope you are not getting——

Q. Excuse me.

A. —the impression here that I am supporting cross selling as a desirable objective. I have no objection to it, but I am not putting myself in the position of saying it is

desirable to encourage the maximum amount of cross selling.

Q. That is precisely right, isn't it, Mr. Gordon, a large degree of cross selling would have, would it not, precisely [fol. 885] the same impact on the franchise system as you fear would happen by reason of discount house sales?

A. No, it would not, Mr. Blecher, because cross selling originates with franchised dealers in the area covering the actual product requirements in that area.

The other discount house approach increases the number of outlets and then you get into the dilution, which you are speaking about, of the selling effects of a multiplicity of points in the metropolitan area.

Q. I can't quite follow that, Mr. Gordon. You mean if—let's say a dealer in Glendale and a dealer in Hollywood, apart from any discount house activity—

A. Yes.

Q. —came down into Orange County and vigorously solicited business there, at low prices, that that wouldn't have the same effect as those same dealers taking the same business away by reason of having a discount house through which they were selling?

A. No, that is just the first step of a multiplicity of outlets in the area, which goes way beyond the area's requirements for an adequate distribution system.

I mean to reduce it to absurdity, suppose you put in twice or three times the number of discount house sale points, or any way you want to put it, in relation to the number of dealers in the area, and that is going to dilute the market [fol. 886] to the extent all dealers will suffer and some dealers will undoubtedly go out of business through bankruptcy.

Q. Just how do you arrive at that conclusion, that they would necessarily go out of business?

A. As I indicated, this system of franchise distribution has grown up over a long period of years, from actual experience in the retail selling of our type of product; a very complicated product.

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[fol. 887] ROBERT M. O'CONNOR, called as a witness on behalf of the defendant General Motors Corporation, having been first duly sworn, testified as follows:

The Clerk: What is your name, please?

The Witness: Robert M. O'Connor. O-'-C-o-n-n-o-r.

Direct examination.

By Mr. Mitchell:

Q. What position do you now hold with the General Motors Corporation?

A. I am the manager of the metropolitan city and dealer development department for the eastern half of the United States in our central office in Detroit, Michigan.

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[fol. 888] Q. Briefly, what has been your experience with General Motors?

A. Mr. Mitchell, I was first employed by the Chevrolet Division of General Motors in 1937 in our central office in Detroit, Michigan.

I served from that period until 1942 in our dealer organization department, our general sales department and in the auditing department.

In 1943 I entered the United States Air Force as a second lieutenant. I served the intervening years until 1946 in Europe; was separated from the Air Force in early 1946 as a lieutenant colonel.

In 1946 I returned to Chevrolet in the midwest region, serving in various capacities in the Omaha zone, the St. Louis zone and the midwest region as district manager, organization manager, business manager and assistant zone manager.

In 1954 and '55, and part of '56 I was assigned as city manager here in Los Angeles, California.

In 1956 I was assigned to the Green Bay zone in Wisconsin as zone manager, and was there until 1958 when I was again assigned to the Los Angeles area as zone manager here in Los Angeles.

I remained here until 1962, when I was assigned to the [fol. 889] Great Lakes region, stationed in Chicago, Illinois,

as assistant regional manager of that region. And I served there until July 1st of last year when I was assigned to my present capacity in our central office in Detroit.

[fol. 890] Q. Prior to the receipt of the letters in mid-December from Mr. Roche and Mr. Staley, were you aware of any announced policy of General Motors as to the dealers' use of discount houses as sales outlets?

A. No, sir, I was not.

We had a basic policy at that time that a dealer could sell to anyone, wherever he might happen to live, at any price that he was able to negotiate with the dealer.

Q. Now, did you have a policy at that time about so-called bootleg sales, sales to unauthorized persons for resale?

A. Yes, sir, we did.

[fols. 891-893] While we didn't like bootleg sales—and we certainly didn't condone it and whenever the occasion arose where a bootleg sale was brought to our attention, we talked to the dealer and attempted him—attempted to persuade him to cease this practice, at the same time telling him, of course, that he is entitled to sell his cars to whom-ever he wants.

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[fol. 894] Mr. Hansen: I also spoke to Mr. Blecher, and he has made the same stipulation with us, that the affidavit of Tom Carroll might be introduced and filed as a part of Stipulation 7, Appendix B.

As I understand, he is waiving any cross examination of Mr. Carroll and we will not call Mr. Carroll, but my understanding is that if we did call him he would so testify, as set forth in the affidavit.

The Court: His affidavit will be accepted as his testimony in view of the fact it is so stipulated to, and I take it you say you do not wish cross examination.

Mr. Blecher: We do not.

[fol. 895] The Court: Very well. It will be filed as a part of the evidence in this case.

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[fol. 896] By Mr. Mitchell:

Q. When we recessed at the noon hour you had told me what your policy had been, so far as you knew, of the boot-leg sales prior to July 1960. Had you heard anything in the Los Angeles area about the discount—about dealers selling to or through discount houses?

A. Well, I had heard very little about it, Mr. Mitchell. I believe a couple of the city managers had mentioned to me that some of their dealers had talked to them about it. They wanted to know what to do, what they should do.

I told them that all they could do would be to talk to the dealers and try to persuade them to cease doing business with discount houses, that it was detrimental to our product and detrimental to Chevrolet and to them, and that while they were entitled to sell their cars to whom they wanted to, we still did not condone it.

Q. Now, this matter of dealers holding on to title and [fol. 897] using discount houses as an outlet to sell their merchandise, had that come to your attention at that time?

A. No, it had not.

Q. Do you recall a meeting in about July of 1960 with a number of dealers that belonged to the Losor Dealers Association?

A. Yes, I recall that meeting.

Q. And do you recall what dealers were present?

A. I can tell you some of them, I am not sure I can tell you all of them.

I believe this meeting came about by a phone call that I had from, I believe, Don Steves, a dealer down in LaHabra.

Q. What did he say?

A. Mr. Steves requested a meeting at which he said he would bring several other dealers, and wanted me to set up an appointment for them.

Q. Did he tell you what he wanted to talk about?

A. No, they did not.

So I accordingly arranged some time for them a day or so later, I don't know how much later, but a day or so later.

They came in and——

Q. Who came in?

A. These dealers came in with Mr. Steves.

.

[fol. 898] Q. He is a dealer in LaHabra, you say?

A. He is the dealer in LaHabra, and accompanying Mr. Steves were Mr. Henson—

Q. Where is he the dealer?

A. He is the dealer at—one of the dealers in Long Beach.

Q. All right.

A. Mr. Barnett who is a dealer at Compton.

Mr. Keown, who is the dealer in Santa Monica—

Q. Venice, isn't he?

A. No,—yes, pardon me, in Venice.

Mr. Hessel, who is the dealer in El Segundo.

Mr. Cormier, another one of the dealers in Long Beach.

I believe Mr. Selman at Orange was with them.

I think also Mr. Swift from—from San Pedro was with them.

I believe Mr. Hopper, Mr. Eddie Hopper, from Garden Grove was with them.

[fol. 899] Q. Mr. Hopper is now deceased?

A. Mr. Hopper is now deceased.

Q. And was at the time of the criminal trial?

A. Yes, sir.

Q. All right. How about Mr. Cone?

A. Yes, Mr. Cone was with them.

Q. Which one?

A. Mr. — I can't remember his initials. We called him Red.

Q. Red Cone?

A. Red Cone. He is the dealer at Fullerton. And I believe his brother Abe is the dealer at Anaheim.

Q. Abe. Was Abe at this meeting?

A. No, I don't believe he was.

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[fol. 900] The Court: May I ask him—before you get to that, I would like to get one thing very clear in my mind, and I am not sure it is clear.

And that is how this meeting came about. Who was it, you said you talked to someone, who was it you talked to first?

The Witness: Well, Mr. Don Steves, your Honor.

The Court: Steves, that was my understanding. Where did this conversation occur?

The Witness: He is the dealer at LaHabra. And he called me on the phone to request time for these gentlemen who wanted to see me.

The Court: Yes. And did he come in to see you first?

The Witness: No, he did not.

[fol. 901] The Court: You had no—how much of a conversation did you have with him?

The Witness: Just that they had a problem that they wanted to discuss with me, and wanted time.

The Court: Did he indicate to you what the problem was?

The Witness: Not at that time, no, sir.

The Court: Did he tell you that he was bringing these other dealers at that time, too?

The Witness: He told me there would be several of them, yes, sir.

The Court: Did you set a specific time?

The Witness: I did, yes, sir.

The Court: All right. Thank you, counsel.

By Mr. Mitchell:

Q. Was there anything unusual about a dealer or dealers calling on you?

A. No, Mr. Mitchell, this is a very frequent occurrence.

Q. Even several dealers at a time call on you?

A. Quite often, yes, sir.

Q. All right. And now—

The Court: The reason I asked you, I was wondering if it isn't customary to see what the man wants to talk about.

[fol. 902] The Witness: Well, he probably did say what it was about, and as I recall he said we just have a problem that we want to talk over with you.

[fol. 903] The Court: Well, oftentimes, I take it, businessmen—I have done the same thing—will say, "Never mind what the problem is, we will put that before you when we see you," realizing the inefficacy of the telephone.

The Witness: Yes.

The Court: I was wondering if anything was said at all as to why they were coming in.

The Witness: I don't believe they told me why they were coming in.

The Court: All right.

By Mr. Mitchell:

Q. When they got there, what was said?

A. They told me they were disturbed about certain Los Angeles dealers supplying cars to certain of the discount houses in Orange County. They were registering a complaint, really. They had, as I recall, an order they had placed or that somebody had placed with one of the discount houses in Orange County.

They had a tape recording which purported to be a recording of a conversation between somebody and the discount house representative. Unfortunately, this tape was unintelligible and I was able to get nothing out of it.

They did not seem to be too well informed, except that they did name some dealers in Los Angeles who they claimed were supplying cars to discount houses in Orange [fol. 904] County.

Q. Whom did they name, if you recall?

A. I think I can recall at least some of them, Mr. Mitchell. I believe they named Bruder and Biggs and Citizen Chevrolet at Eagle Rock, Courtesy Chevrolet. I believe Allen Gwynn Chevrolet in Glendale. I believe they also mentioned Ernie Porter Chevrolet in Pasadena.

Q. To identify these others, Biggs is at Second and Vermont?

A. He is at Second and Vermont, and Bruder is in Hollywood.

Q. Courtesy is at Western and what?

A. Ninth and Western, I believe.

Q. All right. They said they had a complaint. Did they say what their complaint was?

A. Yes, just that these dealers were supplying cars to the discount houses in Orange County and they felt that this was something that shouldn't be done, and they asked me what I was going to do about it, and they asked me what Chevrolet was going to do about it.

Q. What did you tell them?

A. I told them that there was very little I could do about it. That dealers were permitted to sell their cars to whomsoever they wanted to and I saw nothing here that was any different than that. I told them that I didn't condone supplying cars to discount houses in Orange County. [fol. 905] We didn't think it was good for our business. We thought it

was bad for our business. And I told them also that I would talk to these supplying dealers.

Q. Did you tell them what you were going to say to the supplying dealers?

A. No, sir, I did not.

Q. Did you know the details of how the supplying dealers were doing business with these discount houses? Whether there were sales to the discount house or a sale by the dealer through the discount house.

A. No, I did not. Mr. Mitchell, they didn't seem to have any information that was very conclusive, either. Actually, their complaint was just a matter of supplying cars to discount houses.

Q. Did you talk to any of these supplying dealers?

A. Well, not at that time. We were quite busy at that time with the Democratic Convention that was being held here in Los Angeles. A good part of my organization was devoted to taking care of some 250 cars that were being utilized in connection with that convention. And then in the—I believe in the last half of July, the month of July and the first few days of August I was on vacation, so I didn't do anything about it until I returned from vacation.

Q. What did you do then?

[fols. 906-907] A. I instructed the city managers to talk to these dealers that had been mentioned in the meeting in July as being the suppliers of the cars in the discount houses in Orange County, and asked them to contact them and try to persuade them to stop supplying cars to these discount houses.

At the same time telling them that while we didn't condone this kind of an operation, that they could sell to whom-ever they wanted to sell to.

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[fol. 908] Q. Now, the record shows in Government's Exhibit No. 6 a letter of Mr. Keown's to Mr. Biggs, that you had a golf game with Mr. Keown, Mr. Hessel and Mr. Biggs.

A. Yes, sir.

Q. Who arranged that game?

A. I believe Mr. Keown invited me to attend that game.

Q. Did you know that game had anything to do with any discussion about discount houses?

[fol. 909] A. No, sir, I did not.

Q. Just golf.

A. Just golf.

Q. You played golf?

A. Yes.

Q. Or at it.

A. We played golf that day at the Riviera Country Club. Mr. Keown is a member there, I believe.

Q. Was there anything after the golf game—was there anything said about the discount house problem after the golf game?

A. Yes, after the golf game we sat down to a drink or two before showering and going home, and Mr. Keown brought up the subject of discount house activities with Mr. Biggs.

Q. Mr. Biggs was one of those that were supplying cars to discount houses?

A. Yes, sir, he was. Mr. Biggs was a member of this foursome as was Mr. John Hessell, a dealer in El Segundo, I believe.

Q. He was one of these complaining dealers?

A. Yes, sir, he and Mr. Keown both.

Q. All right. What was said?

A. It was a discussion between Mr. Keown and Mr. Biggs principally. I don't recall that John Hessell entered into [fol. 910] the discussion very much at any rate. A very friendly discussion between the two of them about this type of business, with Keown taking the position it was not a good thing and Biggs taking the position that it hadn't been so bad, although he recognized, I am sure, that—

Q. What did he say?

A. Well, I think he just tried to defend himself a little bit, although it was a very friendly discussion. There was no heated argument or anything like that. The conversation didn't last too long. I don't think it lasted over 10 or 15 minutes.

Q. What did you say during this exchange?

A. Well, Mr. Mitchell, I didn't enter into that discussion because I had already had a meeting in July with that group of dealers I mentioned earlier.

Mr. Biggs had been contacted, I am sure, by one of our city managers and there wasn't anything I could add to their conversation that would be beneficial to either one of them, so I didn't enter in the conversation.

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[fol. 911] The Court: Well, now, if you wouldn't mind telling me, were you deliberately avoiding it at that time because you didn't want to get caught between the two, or into the arguments because you weren't certain of your position?

The Witness: Well, I think probably, your Honor, it was a combination of the two. I don't like to get caught into any argument between two dealers, and at this time we were looking at this thing without too much information available to us.

The Court: In other words, what you are saying to me is that you were more or less avoiding any conversation intentionally?

The Witness: I was, your Honor.

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[fol. 912] Q. I call your attention, Mr. O'Connor, to Government's Exhibit No. 17, which is a letter from Fred Thompson, who was one of your city managers—or memorandum, really, from Fred Thompson to you, in which he—this is dated November 17, 1960, in which Mr. Thompson says that Mr. Mays—Mr. Mays is your assistant sales manager for Chevrolet in charge of the West?

A. Yes, sir.

Q. That Mr. Mays had talked to Mr. Thompson in your—Mr. O'Connor's—absence on the subject of discount houses in your area.

He mentioned specifically that John Connell—do I pronounce that right?

A. Connell.

Q. —John Connell had written Mr. Staley on this subject—Mr. Staley is the general sales manager of Chevrolet?

[fol. 913] A. Yes, sir.

Q. And just this morning Mr. Cole received the attached wire from the salesman of Selman Chevrolet in Orange

County. Mr. Mays requested that someone in top zone management meet with the dealer and the salesmen at Orange, either today or tomorrow, and review our position with respect to this type of operation with them, and also to see if they could furnish any additional information about the discount houses that we do not already have.

He also states that Mr. Mays requested that you furnish him a detailed report of the discount house operations in this area, and specifically requested information as to the dealers who are furnishing merchandise to the discount houses, as well as what action we in the zone are taking to curb such sales.

He stated that this matter had reached such proportions that central office wished to review the entire matter, possibly with the legal department, to see if they could be of some assistance to us in this connection.

Mr. Thompson says: "I discussed this matter with Mr. Cash so that he would be informed and sent the attached teletype to Mr. Mays—" which is the teletype from the Selman salesmen.

[fol. 914] A. Yes.

Q. All right. Did you meet with the Selman salesmen?

A. Yes, I did, Mr. Mitchell. I got this phone call from Mr. Thompson while I was in San Diego conducting a dealers' meeting down in San Diego.

Mr. Thompson relayed the information that he had taken from Mr. Mays. And I told Mr. Thompson that I would go to Orange before coming back to Los Angeles and hold this meeting with Howard Selman's salesmen, sales people.

Accordingly, when I left San Diego, when I completed my meeting there and left, I went directly from there to Orange, after having called Mr. Selman and told him that I was coming up, to have a meeting with the salesmen. He asked me what it was all about and I told him I would tell him when I got there.

When I reached Orange Howard had his salesmen present.

Q. Howard Selman?

A. Howard Selman had his salesmen present. When I told him that I was there to——

Mr. Mitchell: The hummingbird is here.

The Court: I see the air is back on now, gentlemen. So you can put up your oxygen tanks.

The Witness: I told him I was there to discuss with his [fol. 915] salesmen a wire that they had directed to Mr. Gordon, I believe it was. He was very much surprised because he knew nothing about this wire. He was also somewhat incensed that his salesmen would directly wire to Mr. Gordon without him knowing about it.

At any rate, Mr. Selman assembled the salesmen and I told the salesmen that I was there to discuss the wire that they had sent to Mr. Gordon, was going to discuss it with them.

I told them I was sympathetic with their problem, I knew what they were up against, I knew they were a little bit riled up about it, but that right at the moment there was very little I could do, that this entire matter of discount house selling had been referred to our management in Detroit and that we would normally expect to receive some sort of policy applicable to it.

By Mr. Mitchell:

Q. Well, in the—in the exhibit, Government's Exhibit No. 17 that I read a portion from to you, mention was made of a report. And you did—you did prepare a report to Mr. Mays?

A. Yes, sir, in connection with Mr. Mays' conversation with Mr. Thompson, who was one of the city managers. He had requested an immediate report giving whatever information we could on the discount house situation in Southern California.

[fol. 916] Q. All right. Now that report is in evidence, Mr. O'Connor, as Government's Exhibit No. 22 which I place before you (placing exhibit before witness).

A. Yes.

Q. This indicates some additional knowledge than you have heretofore given us about who these supplying dealers are, and how they do business. Where did you get that additional knowledge?

The Court: Maybe you had better read that, counsel, part of it anyway, so I will sort of have the key.

Mr. Mitchell: All right. This, of course—

The Court: You don't have to read it all.

Mr. Mitchell: No, no——

The Court: Just the part——

Mr. Mitchell: No, it starts out:

“This is with reference to your telephone request regarding the discount house operation in Southern California. This business is commonly known among dealers as referrals, and has existed in the Los Angeles zone for the past eight years and the sales on the part of discount houses are not confined exclusively to Chevrolet products, but rather on an industry basis.”

[fol. 917] Q. Now, when you say “for the past eight years,” this must be something that you found out, or knew, because you said you didn't know much about discount house selling.

A. Well, that is correct. After I got this notice from Mr. Thompson that Mr. Mays wanted as much information as he could get as quickly as he could get it, I had my own organization, including the three city managers and the assistant zone manager, plus some of the department heads, plus some of the district managers get together all of the information that they could supply me with respect to this discount house picture.

[fol. 918] Q. And this is the information that you are giving to Mr. Mays in this letter?

A. Yes, sir.

Q. So then follows discount houses that you name as the prominent ones in the next paragraph, and you say:

“This type of business on strictly referral basis is frequently quite profitable to the dealer who has only one account and contains control of all deals. This, however, is in contrast with the consignment type of operation where the discount house itself handles the transaction. Reference to the attachment will indicate the gross profit differential.”

What do you mean by sales on a referral basis? What information did you have then, at least?

A. Well, this information that I had here on the referral basis was the type of business that was being conducted by

Warren Biggs on Vermont and Fritz Bruder up in Hollywood.

Now, this is in contrast to what was reported to me as being a consignment type of operation, where there were cars at the discount houses on display and still with the dealers' stickers on the cars.

Some of this information on this letter, it later developed, was somewhat inaccurate because we found they were not [fols. 919-921] on consignment exactly. They were cars that belonged to the dealer but they were not on consignment. They were down there for display, and that was it. They still belonged to the dealer.

Q. You didn't describe in here the Chico type of operation you heard me describe to the court?

A. No, no, Mr. Mitchell. I don't believe at that time that we had very much information on Mr. Chico's method.

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[fol. 922] Q. Your letter says:

"Our dealer associations have formed a committee to call on the supplying dealers and have asked them and have attempted to persuade them to discontinue this practice."

Where did you get that information?

A. Mr. Keown called me—I believe it was Mr. Keown called me and told me that this is what they planned to do, was to have a committee call on the supplying dealers.

Q. It also says:

[fol. 923] "Associations have also appointed a legislative committee to seek legislative action which would prohibit this type of merchandising."

Where did you get that information?

A. I think I got this information from, I believe, Don Steves, the dealer at La Habra. He called one day about this matter or something else. At any rate, he told me about this at this time, that the Losor Association, I believe, had retained a Cameron Aikens, a local attorney, of the firm of Getz, Aikens & Manning, to check into whether or not this discount house selling was violating any of the state

licensing laws, and also they had hoped to ask a man, I believe his name was McCarthy, who was head of the DMV, the Department of Motor Vehicles, at that time to come down and discuss it with Mr. Aikens. What happened on it I do not know.

Q. That is, the dealer associations weren't reporting back to you on what happened in respect of the legislative program?

A. They were not, sir.

Q. Or in respect of what happened in any program to call on other dealers?

A. I do not know whether they ever called on any other dealers or not.

Q. They didn't report to you?

[fol. 924] A. They did not, sir.

Q. Or report to any of your men, insofar as you know?

A. No, they did not.

Q. The next paragraph says, "Our experience in shopping at the discount houses, from the standpoint of policy and warranty work, indicate our regular policy and warranty booklet is furnished with each purchase and the customer is told that any Chevrolet dealer will honor the warranty and correct any defect."

Where did you get that information?

A. I got this from my own people, Mr. Mitchell, and they got the information, of course, from some dealer. They referred this to us.

Q. You weren't doing any shopping?

A. No, we were not.

Q. At the bottom of page 2 of this letter you say, "We also refer you to our letter and attachments of November 16th to Mr. Grieg regarding an apparent patent infringement on the part of Fore"

F-o-r-e is one of the discount houses, right?

A. Yes, I believe it is.

Q. Now, let me show you an advertisement—there are four and it is Attachment 11 to Stipulation No. 2, which has been admitted in evidence as Defendants' Exhibit AA. [fol. 925] Because this photostatic copy of this advertisement of Fore's is not too legible, I would like you to tell me whether or not the representation of Chevrolet there is the Chevrolet trademark insignia.

A. Yes, it is. It is our trademark insignia.

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[fol. 926] Q. On page 3 you mention the fact that you have:

“ * * * reviewed the problem with the sales organization at Selman Chevrolet * * * ”

That is the meeting that you described a few moments ago, right?

A. Yes, sir.

Q. And you mention the fact that you instructed your assistant zone manager to discuss the problem with Tommy Ayres Chevrolet?

A. Yes, sir. I would have discussed this matter with Tommy Ayres Chevrolet salesman myself, except that I had to be out of the city for some reason or other. And I asked Jere Faust, our assistant zone manager, to go down and talk with them and cover the same material that I used in discussing the matter with the salesman at Orange. And [fol. 927] I gave him the notes that I had made on the matter so that he could stick with those notes.

Q. You mentioned in the letter of November 22nd:

“ * * * reference to the attachments will indicate the gross profit differential * * * ”

And you had attached to this memorandum to Mr. Biggs the Keown letter to Biggs, did you?

A. The Biggs letter to Keown, yes, sir.

Q. No—the Biggs letter to Keown, excuse me.

A. Yes, sir.

Q. And that had information about the gross profit differential in there?

A. That is what I was bringing his attention to, yes, sir.

Q. Now, you used the plural word “attachments,” can you remember what other attachments you had with that letter?

A. I believe, Mr. Mitchell, that I attached a couple of ads that had been running in the papers by the discount houses. Now, I can't identify the discount houses exactly, but I

think I attached a couple of ads, where they were advertising new Chevrolets for sale.

Q. All right. Now, on December 19, 1960, you received a letter dated December 17, 1960, from Martin Pollard? [fol. 928] A. Yes, sir.

Q. Martin Pollard is a Chevrolet dealer?

A. Yes, he is a Chevrolet dealer in the San Fernando Valley, also an Oldsmobile dealer and a Cadillac dealer.

Q. On that point he tells you about a meeting of dealers at Perino's, and he says in the letter, in the last full paragraph—here, I have the paper, it isn't necessary to show it to you, I think:

“ . . . out of this meeting was born a committee instructed to take certain measures as directed. The chairman elected was Cap Reade. He intends to see you at once, I suppose he has by now, and explain to you the objective of the committee.”

Did Cap Reade ever come to see you and explain anything about the committee?

A. No, Mr. Mitchell, Cap Reade never came to me and never asked to see me. I didn't see him at all.

Q. Now, I will show you—

The Court: Before you get to that, may I ask you—I notice it says here on Exhibit 22 in the—I thought I saw somewhere in that letter about a conversation or rather a statement to the effect that some of the dealers were saying they would not service these cars. Didn't I see that somewhere [fol. 929] in that exhibit?

Mr. Blecher: The middle paragraph, your Honor.

The Court: Thank you. Here it is.

“Many dealers, however, will not service new cars purchased through discount houses resulting in unhappy owners.”

Did some of the dealers refuse to service these cars?

The Witness: Your Honor, I don't believe they refused to service them. But it was reported to me by some of my district managers—and I believe the assistant zone manager—that this doesn't take the form of a direct refusal. It simply takes the form of telling the customer who purchased

his car through or from a discount house, that they can't get him into the shop until, let's say, a week from next Friday. And their own customers come first and their shop is busy and they can't get him in.

So it was reported that some of the customers were unhappy that they couldn't get service.

The Court: Well, tell me, do I understand that that would be a violation of some kind of the contract? Would it be a violation of the contract on the part of the dealer to refuse to service any Chevrolet car at any time?

[fol. 930] The Witness: I don't know whether it would be a violation, your Honor, I—

The Court: Well, would you consider it as—

The Witness: We would consider it as a serious thing with respect to a dealer turning a customer down from servicing a new Chevrolet.

The Court: No matter where he bought it, is that right?

The Witness: Yes, sir.

The Court: I suppose though if I went to Portland and they saw the California license on it and it was a choice between me and a local resident, normally they would give the local residents the break, wouldn't they?

The Witness: I think you will find that normally dealers in areas where there is a high transient population, such as vacationers, that they are pretty well geared up to take care of the transient owners.

But in this case, while it didn't take the form of a direct refusal, it was just kind of a brush-off.

[fol. 931] The Court: Well, that is the same thing.

The Witness: Yes.

The Court: Isn't it?

The Witness: Yes, sir.

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[fol. 932] By Mr. Mitchell:

Q. I show you now, Mr. O'Connor, Government's Exhibit No. 117, which is a memorandum from Mr. L. H. Averill to you, dated December 16, 1960, which has a stamp "Received December 21, 1960."

Mr. Averill was the assistant general sales manager of the Chevrolet Motor Division?

A. He was executive assistant general sales manager at that time.

Q. I see. Can you say that this was the first information that you had with respect to the adoption of the position of General Motors stated in Mr. Roche's letter?

A. Yes, sir, I believe this was the first information I had.

The Court: Now, that is Exhibit?

Mr. Mitchell: 117.

The Court: Yes. All right.

By Mr. Mitchell:

Q. Describing the activities that are involved, or, rather, [fol. 933] referring to the activities of discount houses that are involved, he attaches a list of the senders of letters and telegrams, and identifies those that are being answered by Mr. Staley, the Chevrolet general sales manager, and those being answered by Mr. Roche?

A. Yes, sir.

Q. And then it contains a direction to you, which seems to be marked on this copy with a pencil.

Do you know what that pencil mark or pen, or something else, marking this last full paragraph is?

Is that anything you recognize, that mark?

A. Yes, I think these are my brackets (indicating) where I put this particular paragraph in brackets.

Q. To call it to your attention?

A. Yes, to make sure I gave it attention.

Q. And this says, "We would like to especially call your attention to the following paragraph from Mr. Roche's letter: 'The wholesale organization——'"

That is your organization?

A. Yes, sir.

Q. "The wholesale organization of each of our divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the problem, [fol. 934] as it affects the goodwill of the products they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a

discount house under the provisions of their General Motors Dealer Selling Agreement.' "

Then it goes on:

"In accordance with this paragraph will you please arrange through the medium of yourself, city managers and assistant zone managers to personally contact each of the dealers in the Los Angeles area, to discuss the subject matter of the above paragraph. We feel that these contacts will also serve as a reply to the letters——"

Excuse me.

"—a reply to the dealers and their salesmen, who have not written Mr. Cole, Mr. Staley or Mr. Gordon. After these contacts have been completed by zone management we would appreciate your advising the office of the results of your conferences."

[fol. 935] Did you regard this as anything new in your relationship with dealers, in respect of the discount house problem?

A. Yes, I did. I recognized this as a policy on the matter of selling—of dealers selling cars through discount houses.

I recognized then this could involve a possible violation of their selling agreement.

Q. I call your attention now to Defendant's Exhibit—excuse me—Government's Exhibit 121, which is a letter dated December 29, 1960, from Mr. Staley, as general sales manager, attaching a copy of a letter sent to all Chevrolet dealers dealing with the matter of discount house operation.

Did this letter and the one addressed to the dealers come to your attention?

A. Yes, sir, it did.

Q. Shortly after this communication from Mr. Averill?

A. Yes, this communication from Mr. Averill came first and this letter followed immediately thereafter.

Q. Did you have a complete copy of the Roche or Staley letter before you received Government's Exhibit 121?

A. Yes, sir, I did, because with this letter from Mr. Averill, dated December 16, 1960, Mr. Averill attached a

copy of the reply that was going to go to the dealers who had written to Mr. Cole and Mr. Staley.

[fol. 936] Q. So that you had knowledge of the particulars of the Roche and Staley letters at about the same time that you received the Averill memorandum of December 16, 1960?

A. That is correct, sir.

Mr. Mitchell: All right. Now, we asked during the trial to mark and there was admitted in evidence Defendants' Exhibit CD.

Q. Was this actually the piece of paper that you received at that time, at the time of the Averill memorandum?

A. Yes, I believe this is the actual letter I received. It has a red pencil bracket around certain portions of the letter which, I believe, I put there.

Mr. Mitchell: Now, this letter, except for the pencil brackets, is identical with the Government's Exhibit 116, your Honor, if you care to refer to it.

The Court: Well, this is the December 16, 1960, letter?

Mr. Mitchell: Yes, this is the one from—

The Court: This is called the Keown copy.

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[fol. 937] By Mr. Mitchell:

Q. How do you tell it is the copy you actually received?

A. Well, there is a copy indicated to me and the red marks and the red brackets that I put around certain paragraphs indicate to me that this is the copy I got.

Q. All right. Why did you put marks around, red marks, around the paragraph?

A. Well, I felt that these paragraphs that I indicated with the red marks were quite important paragraphs with relation to this discount house problem.

I particularly wanted to emphasize the city managers and the assistant zone managers at the time I met with them in accordance with Mr. Averill's instructions, that I particularly wanted to emphasize these particular points.

Q. Well, did you give each one of these city managers and your assistant zone manager a copy of a letter like this with the red marks?

A. Yes, sir, I did.

[fol. 938] By Mr. Mitchell:

Q. All right. Well, the things that you have indicated as being—did you say anything to them about what these red marks meant?

A. Yes, sir, I did. In fact, when I held a meeting with them I read that entire letter to them and with them, and marked their copies with red indicating the particularly important parts of it, although we regarded the whole letter as being very important.

Q. And what were they to do with respect to these particularly important parts?

A. They were to follow instructions, and in the—and contact all of the dealers in the metropolitan area, the dealers in the San Diego metropolitan area and all of the fringe dealers surrounding Los Angeles. And they were to discuss this letter with the dealers and try to persuade them to cease selling through the discount houses, if they were doing it, to make sure that the dealer had read the letter and that he understood the letter and that if he had any questions about the letter they were to try to answer them. And if they couldn't answer them they were to refer them back to me.

And then I also asked them to get the dealers' reaction to the letter, and what the dealer would do after he had reviewed his operation in the light of these factors that [fols. 939-942] are indicated in the letter.

* * * * *

[fol. 943] Q. Now, you have that marked. The para-[fol. 944] graph reads as follows:

"The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a 'referral.' Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who

chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealer Selling Agreements."

Now, that is a paragraph which you thought indicated that this discount house business could be a violation of the Dealer Selling Agreement?

A. That is correct, sir.

Q. This is something brand new in your instructions [fol. 945] with respect to unauthorized outlets?

A. I had had no such policy prior to the time this letter came out.

Q. Then down at the bottom of page 4 you have a paragraph running over to page 5 marked, which says:

"The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement."

That is the paragraph that was quoted in Averill's memorandum?

A. Yes, sir.

Q. Now, what discussion did you have with your subordinates, your city managers and your assistant zone manager in regard to the program which Mr. Averill had directed you to follow, and which you started implementing by marking copies of Staley's letter and handing them to these subordinates of yours?

A. Mr. Averill had requested that we especially cover

[fol. 946] that particular paragraph, the last paragraph that you referred to.

And as I mentioned earlier, I had a conference with the city managers and the assistant zone manager during which I read this letter to them and with them. I instructed them in their contacts with their dealers to stay as closely as they possibly could to the terms of this letter, and that they were to try to persuade the dealers who were selling through the discount houses to cease.

I also asked them at that time if they found any questions any dealer didn't understand the letter, they were to answer his questions if they could, and if they could not answer the question they were to refer it to me.

I also asked them at the time they discussed this letter with the dealer, in accordance with Mr. Averill's instructions, that they were to get the dealer's reaction, or feeling, to this policy as expressed in this letter. And that if it happened to be a dealer whose business did include a relationship with a discount house they were to ask him to review his operation, just as this one paragraph says, and then give them a decision on it as to what he intended to do.

Q. Why didn't you tell each of these dealers that he [fol. 947] was violating his contract and he had better stop or his contract would be terminated?

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The Witness: Well, Mr. Mitchell, first of all I had no such instructions in the letter from Mr. Averill. The general letter of Mr. Staley didn't suggest any such [fol. 948] thing.

Further than that, it is not within my province—

The Court: You didn't have the authority.

The Witness: Exactly, your Honor. It is not within my province to determine whether or not a dealer is in violation of his selling agreement and he is going to be terminated.

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By Mr. Mitchell:

Q. When you discussed the matter with your city managers and your assistant zone manager, did you tell them whether to meet with dealers individually, or in groups or how?

A. They were instructed to meet with dealers individually, in every case.

Q. Did you have any discussion—withdraw that. Roy Cash is the regional manager, is he not?

A. He was at that time, yes, sir.

Q. He was at that time?

A. Yes, sir.

Q. And was he your immediate superior?

A. Yes, sir.

Q. He was in Oakland?

A. Yes, sir. His offices are in Oakland, California.

[fol. 949] Q. And had he ever been the zone manager in Los Angeles?

A. Yes, sir, he was zone manager here in 19— the latter part of 1954, '55 and 1956.

Q. So that he would be acquainted with most, if not all of these dealers?

A. I thing you could say he was acquainted with all of them.

Q. Did you have any discussion with Mr. Cash about his playing a part in this program of calling, or carrying out Mr. Averill's instructions?

A. Yes. Mr. Cash called me and told me that he—he wished to have a conference with the dealers who were engaging in business with the discount houses.

Q. You mean as a group?

A. No, no, individually.

Q. He wished to have a conference with each of those dealers?

A. With each of those dealers. He asked me if I would set up these conferences, I believe, on the basis of an hour, or an hour and a half apart.

Accordingly I did set up those conferences for him, I believe in the week between Christmas and New Year's.

Q. When did these conferences take place, so far as [fol. 950] you know, between your subordinates, and between Mr. Cash? You have just said between Mr. Cash

and each of these dealers between Christmas and New Year's. How about the city managers and the assistant zone manager?

A. I believe their contacts with the dealers that they called on and the area that the dealer was located in that they were responsible for took place after the first of the year.

Q. Did Mr. Cash report back to you the results of his conferences between Christmas and New Year's?

A. No, he did not. He simply told me that he had been well received and was well pleased with his conferences. That is all he told me.

Q. Did your zone personnel, the city managers and the assistant zone manager report back to you on the result of their conferences?

A. Yes, they did, Mr. Mitchell. And they reported to me that all of the dealers that they contacted, that were doing business through discount houses, had told them that they were going to stop it.

All of those dealers who were not doing business with the discount houses had also told them that they had no intention of getting into that type of business, without exception.

[fol. 951] Q. Now, I will show you Government's Exhibit No. 127. This is a memorandum from you to Mr. Averill dated January 17, 1961. That is your report to Mr. Averill on the results of these conferences that you had had?

A. Yes. In Mr. Averill's letter of December 16th he had requested that I report to him directly concerning the results of our conferences. This is my report to him dated January 17th.

Mr. Mitchell: This letter reads, if I may read it—

The Court: Yes, indeed. As a matter of fact, counsel, read what part of it you desire. You don't have to read all of it.

If counsel, other counsel wants to read other parts, he may do so.

Mr. Mitchell: It says:

"Dear Mr. Averill:

"Our letter is in reference to your letter of December 16, 1960, to which was attached copies of the replies

made by Mr. Staley and by the corporation to dealers and salesmen in the Los Angeles zone concerning the above-mentioned subject."

The subject mentioned being, "Sales to Discount Houses, Referrals" and so forth.

"In accordance with your instructions we have per-[fol. 952] sonally contacted each of the dealers in the Los Angeles Metropolitan Area, the Orange County dealers, the fringe dealers surrounding the Metropolitan Area, and those in the San Diego Metropolitan Area. We have discussed with them the subject matter of the excerpts you quoted, taken from Mr. Staley's letter."

By the way, Mr. O'Connor, at that time no part of Orange County was a part of the Los Angeles Metropolitan Area?

A. No, sir. I believe that we enlarged our Metropolitan Area to take in the Orange County dealers on April 1st, 1961.

Q. To be strictly accurate, to take in the Orange County dealers in the western—no, in the part of Orange County between the Los Angeles County Line and Laguna?

A. Yes, sir. I believe Laguna is not included.

Q. Not included?

A. Yes, sir.

Q. How about San Clemente?

A. I believe San Clemente is not included.

Q. I am too far, down to Newport then, and then in the areas of Santa Ana, Garden Grove, Anaheim, Fullerton, LaHabra, and so on.

A. As I recollect, all the Orange County dealers, with the exception of Laguna, were brought into the Metropolitan Area at that time, along with some other dealers in Orange [fol. 953] County, on the eastern edge of Orange—or on the eastern edge of Los Angeles County.

Q. This letter goes on to make the report—that is, Government's Exhibit 127—

"Our contacts were extremely well received and I believe this action, together with the letter they received from Mr. Staley, will materially alleviate the serious concern that has been evident on the part of

many dealers. We do feel, however, that complete correction of the problem will require constant scrutiny and follow-up on the part of all of us in the Los Angeles zone. This we are currently doing.

"Our dealers and wholesale personnel alike appreciate very much the position our management has taken on this matter."

Now, you refer to "constant scrutiny and follow-up" and say, "This we are currently doing."

What do you mean by that?

A. Mr. Mitchell, I had asked the city managers and the assistant zone manager to particularly—to be particularly observant in their contacts with the dealers who had previously been engaged in selling through discount houses, and if they saw it was continuing, they were to report back to me.

[fol. 954] Q. That is what you mean by the "scrutiny and follow-up"?

A. Yes, sir.

Q. What were you going to do then?

A. Well, I would have recontacted the dealer and again reviewed Mr. Staley's letter with them.

Q. Did you recognize in a big area with many large dealers that possibly sales could get away from the dealer without his knowledge and the product be put out through a discount house?

A. Yes, this has occurred in a good many cases. In dealerships in the Los Angeles metropolitan area the bulk of them are rather large dealerships.

I don't believe that any dealer can personally check each deal that is made. Some of them sell four or five hundred cars a month.

I know it is possible for a car to get into some channel unknown to the dealer. This is a very common occurrence. I recognize this.

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[fol. 955] Q. Why did you want to have your people keep their eye on the supplying dealers?

A. Because, Mr. Mitchell, I felt that it was quite within [fol. 956] the realm of possibility that this could continue

unknown to the selling dealer, simply because they can't keep track of everything that goes out of their dealership.

Q. All right. Now, I would like to show you Plaintiff's Exhibit No. 134, which is a letter from Cone Chevrolet Company, by C. D. Cone, to you, dated January 26, 1961.

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Q. Red Cone writes a letter to you dated January 26th, right?

A. Yes, sir.

Q. And he says, "I am giving you the latest information as to what appears to be a flagrant violation of our dis-[fols. 957-958] count house agreement," right?

A. Yes, sir.

Q. Did you have any discount house agreement with Cone Chevrolet Company or Red Cone?

A. No, sir, we do not. The only agreement with Mr. Cone would be our selling agreement.

Q. Does this statement give you any idea of what kind of an agreement he is referring to?

A. No, I haven't the faintest idea what he was talking about.

Q. Was there anything that you had done up to that point, that you know of, that constituted any kind of a promise to Red Cone or Cone Chevrolet Company?

A. None whatever, Mr. Mitchell.

Q. Or did he make any kind of a promise to you outside of his Dealer Selling Agreement that you know of?

A. No, sir.

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[fols. 959-962] Q. Well, perhaps I should ask the question a little broader.

Do you know, outside of the Dealer Selling Agreements, do you know of any discount house agreement with any dealer?

A. We had no such agreement, Mr. Mitchell. The only agreement we have with our dealers is our selling agreement.

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[fol. 963] Q. Now, when you talked with those dealers, those Losor Dealers in July, 1960, and when you talked with Selman, the Selman Chevrolet, with the salesmen, were you trying to help out the dealer associations?

[fol. 964] A. No, indeed, I was not.

Q. Were you trying to help out the dealers?

A. No, no, sir. I was carrying out instructions that I had received from Mr. Mays through Mr. Thompson to discuss our position with the dealer salesman.

Q. How about in the case of July, 1960, the meeting that was had in your office? Were you acting then to do something for the dealers, or the dealer associations?

A. No, no, sir, I was not. This was a meeting that had been requested by Mr. Steves. I gave him the time that they wanted for the meeting. I told them that there was very little I could do about it. I didn't condone the idea but the dealers were entitled to sell to whom they wanted.

Q. All right. Now, when it came—came to these steps taken after the sending out of the Roche and Staley letters, and you ordered your people to have conferences with the dealers, were you then trying to help out the dealers or the dealer associations?

A. No, sir, I was carrying out the instructions that I had received from Mr. Averill, who was the executive assistant general sales manager, in explaining to the dealers a policy that we had not heretofore had.

Q. Well, what is the first that you heard about any shopping project of any of the Chevrolet dealers in the [fol. 965] Southern California area?

A. Well, I would say, Mr. Mitchell, that it was some time in January, probably after the 15th of January. I couldn't specify the date.

Q. This would be in 1961?

A. 1961, yes, sir.

Q. And from whom did you hear whatever you heard?

A. Well, I can't say for sure. But I think it was from—from one of the Losor group. I think maybe Keown, or Marion Johnson, or possibly Chet Henson in Long Beach. [fol. 966] Q. All right. Now, we have identified Mr. Keown as being the dealer at Venice.

Who was Chet Henson?

A. Chet Henson is a dealer at Long Beach and Marion

Johnson is his son-in-law who is a principal in the dealership.

Q. You think one of those three men mentioned this matter to you?

A. Yes, with the possible addition of perhaps Mr. Pollard. I couldn't tell you which one.

Q. Mr. Pollard has several Chevrolet dealerships in the San Fernando Valley?

A. Yes, at that time I believe he had an interest in three Chevrolet dealerships, two Oldsmobile dealerships, and a Cadillac dealership.

Q. Well, you can't remember which one spoke.

Do you remember whether it was over the phone or at a personal meeting?

A. No, it was over the phone.

Q. What did one of these men say to you?

A. Well, whoever it was—and I can't—I am sorry, I can't recall just who it was—told me that they were going to do some shopping of discount houses with the idea of developing some information that they could use in relation to a new licensing law they were seeking through the [fol. 967] State Assembly. That is about all I know about it.

Q. What did you say to that?

A. I just said, "O.K.," I guess.

Q. Did they ask you to do anything?

A. No, sir.

Q. Did you ask them to do anything?

A. No, sir.

Q. All right. What is the next you heard of this shopping activity that these dealers told you about or this proposed shopping activity?

A. Well, it was some time later than that, Mr. Mitchell. I believe in February either Keown, Johnson or Henson called me and told me they were doing some shopping and asked me if I would be interested in the information they developed, and I told them I would.

Q. You say they were doing some shopping. That is a many-meaning term. I suppose they didn't explain to you what they were doing, what shopping they meant, or did you understand what shopping meant?

A. I just understood them to mean they were going to shop a car through a discount house.

Q. You mean they were going to buy a car——

A. Yes.

Q. —through a discount house?

A. Yes, sir.

[fol. 968] Q. Was there any discussion about how this information would be conveyed to you, that they asked you if you wanted to receive?

A. No, no, there was no discussion at that time. They simply asked me if I wanted the information, and I told them I did.

Now, I don't believe at that time they had bought a car because there was no attempt on their part to volunteer any information at that point. They just said they were going to buy a car or shop a car through a discount house and wondered if I wanted the information, and I told them I did.

Q. Why were you interested in having information about cars sold through discount houses?

A. Well, Mr. Mitchell, our contacts with the dealers in relation to the Staley letter, every dealer without exception had told us that he was either going to stop doing business with a discount house or he had no intention of getting into it.

I found it difficult to believe at first that this could still be going on and yet I know these dealers out here pretty well and I know dealers pretty well generally across the country, and I know it is quite possible for a car to get away from a dealer without him knowing anything about it. So I wanted this information to go back to the dealer again [fol. 969] and again review this letter, this Staley letter or Roche letter, as you may desire, to again review it carefully with him and again try to persuade him to cease doing business through the discount houses.

Now, I felt that quite likely the dealer did not know anything about it, because a dealer, when he tells you he is going to stop doing business or he tells you that he has no intention of doing this kind of business, I take his representation as being a sincere and honest one.

I felt that they would want to know about it. I also felt that it was my job to go back to them and show them that

it was still going on in their place of business with or without their knowledge.

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[fol. 970] Q. What is the first you heard of any car being shopped by a dealer or dealer group, dealer association?

A. Well, the first time I heard about it, Mr. Mitchell, was when Mr. Dick Hawthorne, one of our city managers, came to me and told me he had a call from Ted Schonlaw of Schonlaw Chevrolet up in Hollywood.

He told me that Ted Schonlaw had called him and told him he had been shopped by, I believe, the Losor group, and that they had succeeded in buying a car through a discount house that came from his place of business.

He had told Dick Hawthorne that he had given strict orders against getting into this kind of business and that he wanted to repurchase the car. Dick Hawthorne asked me what he should do about it. I told him to do nothing about it.

[fol. 971] Q. What is the next you heard about this car?

A. Well, I think it was a few days later that I believe Marion Johnson of the dealership in Long Beach called me and asked me if he and Chet could come in and see me, wanted to know if I would be in the office.

I said, "Yes, come ahead." So they came on in to the office and they had with them documents indicating a transaction that they had made through a discount house.

This was a car that had been purchased through a discount house that came from Schonlaw Chevrolet. I can't tell you exactly what documents there were, but there was an invoice, I believe, from Schonlaw Chevrolet. They were probably the documents in relation to the title and license and possibly an order.

[fols. 972-975] Q. All right. Who was present at that conversation then beside Henson and Johnson and you, if anybody?

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[fols. 976-977] LOS ANGELES, CALIFORNIA, MONDAY, JUNE
22, 1964, 2:00 P. M.

* * * * *

[fol. 978] A. I don't believe that there was anybody else present when I discussed this matter with Henson and Johnson.

Q. All right. Now, as best you can remember—that is a long time ago—but tell me as best you can remember what they said and what you said in that conversation.

A. Well, I can't remember exactly what was said, Mr. Mitchell. They showed me these documents which reflected a purchase through a discount house from Ted Schonlaw Chevrolet.

I simply told them to let me have the documents, and incidental to coming in they had brought the car in and parked it on the parking roof where we have our zone office.

I told them to leave the car and leave the keys with me and I would take care of the sale of the car.

Q. Did you tell them how you were going to take care of the sale of the car?

A. No, sir, I didn't. It wasn't any of their business.

Q. Did you tell them anything about Schonlaw's call to Mr. Hawthorne?

A. It is quite possible I did. I don't recall exactly that I did. I may have told them that—this was a car that Schonlaw said he would buy back, but I don't recall telling them that.

Q. Now, this car belonged to Johnson or Henson or Losor, somebody. Did you know who it belonged to?

[fol. 980] A. Yes, they told me that this was a car that they had shopped on behalf of their Losor group. When I told them I would sell it I also asked them who they wanted the money to go to, and they said they wanted it to go to Cameron Aikens.

Q. Who is Cameron Aikens?

A. Cameron Aikens is an attorney of the firm of Getz, Aikens & Manning here in Los Angeles.

Q. Did you know anything about any connection he had with the dealer association?

A. Yes. I regarded this as a normal request. Mr. Aikens, I know, is an official, I believe, of their advertising associa-

tion and I think he handles quite large sums for them, so this didn't appear to be anything out of the ordinary.

Q. You say their advertising association. Will you just describe what you know about their advertising setup?

A. Well, they have a—at that time, at any rate,—I don't know whether they still have—they had a separate corporation which I believe was devoted entirely to advertising, which they called LFD. The "L" was for the Losor Association, "F" was for Foothill Association, and "D" was for Dealers' Service.—

I believe all three of the associations channel certain funds into this advertising corporation so they could do [fol. 981] principally, I guess, advertising for all of them.

Q. All right. Now, tell me, if you will, why you took charge of this car intending to offer it back to Mr. Schonlaw.

A. Well, I had known for, oh, two or three or four days that Mr. Schonlaw had been shopped and he had expressed a desire to Dick Hawthorne that he wanted to buy the car back, that he was not engaged in this type of business. He didn't know it had been sold through a discount house.

So I wanted to get back with Dick—with Ted Schonlaw or have one of the city managers get back with him and again cover with him the policy outlined in the Staley *later*.

Here was a situation where I don't believe Ted Schonlaw had any knowledge this car had been sold through a discount house. I felt that we should get back to him in the interest of implementing our program that had been outlined in our letter of December 29th by Mr. Staley, and I thought we would let Ted Schonlaw buy the car back since he expressed a desire to do so.

This was the way, perhaps, of getting it to his attention, and since he had expressed the wish to do so, why, I thought it was a pretty good idea.

Q. Were you trying to help out Losor?

A. No, no. I was simply trying to effect a program of [fol. 982] General Motors and Chevrolet and effect a program of my own in the Los Angeles zone.

Q. Can you fix the date of this conversation with Mr. Johnson and Mr. Henson at all, Mr. O'Connor?

A. Well, I believe it was along about February 22nd, 23rd, or 24th; somewhere along in there.

Q. This was in 1961?

A. Yes, sir, 1961.

Q. Now, on that same day did you have any conversation concerning a car purchased by John Armour for Eddie Hopper Chevrolet?

A. Yes, I did.

Q. Mr. Armour—was that before or after the Johnson-Henson conversation?

A. Mr. Mitchell, I can't tell you that, whether Johnson and Henson were in the office first or whether Armour was in there first. I don't remember.

Q. All right. Who was there with Mr. Armour, if you remember?

A. Well, if anybody was with Mr. Armour it would have been Eddie Hopper. But I can't remember whether Eddie Hopper was with him or not. Eddie Hopper is the dealer at Garden Grove, and Mr. Armour is one of his employees.

Q. And was that on this same day?

A. Yes, it was on the same day.

[fol. 983] Q. What was your conversation with Mr. Armour?

A. Well, Mr. Armour had the documents pertaining to a purchase that Eddie Hopper Chevrolet had made through the discount house. Now, this transaction with the discount house was with Bob Wondries Chevrolet in Glendale. Mr. Armour had the documents with him.

[fol. 984] Q. Has that anything, so far as you know, to do any dealer association?

A. I don't believe it had anything to do with it. I think this was something that Eddie Hopper and John Armour did on their own.

Q. How did John Armour happen to come to your office? Was there an appointment, or did he walk in, or otherwise?

A. I can't remember that. He may have called and asked to come in. I don't remember.

Q. Anyway, he was there?

A. Yes, he was there.

Q. All right. Now, what did he say and what did you say?

A. Well, he simply showed me the documents relating to this purchase that they had made from Wondries through the discount house. And he was showing me what had transpired and he had the information with him.

I told him to leave it with me, which he did.

Q. Why did you tell him to leave it with you?

A. Here again, Mr. Mitchell, I wanted to get back to Bob Wondries. Bob Wondries was a brand new dealer. We had just appointed him as a replacement in Glendale for Jackson Howell Chevrolet.

Bob Wondries, I was quite sure, had no idea that such a sale had been made. And I wanted to get back to him [fol. 985] and again cover with him the policy, as announced by General Motors Corporation, and try to persuade him to cease it, if he knew about it.

Q. All right. What did Armour say to you and what did you say to him?

A. Well, I believe you asked me that a minute ago. John Armour I think simply showed me the documents. I don't remember what he said.

And I simply told him to leave them with me.

Q. I see.

A. Other than that, I don't remember what the conversation was.

Q. What did you do then?

A. Well, I took the documents and I gave them to Max Young, who was then the city manager in this particular part of the city. And I asked him to take those documents and go out and see Bob Wondries, sit down with him again and again discuss with him the contents of this letter to find out if Bob Wondries knew that this sale had been made through a discount house. And at the same time tell him that if he wanted to buy the car back he could.

Q. Did Armour bring with him the car, the physical vehicle?

A. No, as I recall he did not. He simply brought the documents.

[fol. 986] Q. Did Mr. Young report back to you what he had done?

A. Yes, he did. He went out to see Bob Wondries that same day.

Q. He told you that?

A. Pardon me?

Q. He told you this?

A. Max told me this.

Q. Yes.

A. He went out to see Bob Wondries that same day.

And showed Bob what had happened. They talked again about the policy that had been announced. Bob Wondries was somewhat upset that this had taken place in his dealership.

He was a brand new dealer. And he stated to Max Young that he certainly was trying to do what he said he was going to do, and that was that he had no intention of getting into the discount house business when he had talked to him prior to this, and that he would certainly see that this did not happen again in his place of business.

Max gave him the information with respect to who had purchased the car. And Max told me that Bob Wondries either personally went down or sent somebody down to Eddie Hopper's and they took a check and paid Eddie Hopper Chevrolet, or John Armour—or whoever's name the car had been purchased—and he brought the car back to [fol. 987] Glendale.

Q. Now, in connection with the Schonlaw transaction, did you report back to the Losor Association how you had disposed of the car, or what you had done?

A. No, I did not, Mr. Mitchell. As I explained a minute ago, I didn't feel that our action in connection with going back to the dealer and again talking to the dealer and giving him a chance to buy the car, if he wanted to do so, was any of their business. This was our business.

Q. Were there any other shopped cars brought to your attention during the months of March and April and even early May of 1961?

A. Yes, sir, I think there were, I believe five or more, five or six.

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[fol. 988] Q. All right. Now, on the occasions of their bringing in information these additional times in March, April and early May, what did you do?

A. We called the dealer into the office and—I believe in all cases—and had a discussion with him relating to our policy.

The Court: You say "we," who do you mean by "we"?

The Witness: Well, this was handled, your Honor, by the city managers. And in some of the conferences that we had with the dealers, I was present, and some of them

I was not present. In most of them I was present part of the time.

By Mr. Mitchell:

Q. Now, when you say the city managers—as long as we are talking about it and we are all not as familiar with them as you are—who are you talking about, just name names.

A. Well, our city managers at that time were Mr. Hawthorne, Mr. Thompson and Mr. Young. The assistant zone manager was Mr. Faust.

[fol. 989] Q. And the way your setup is, will you explain that just once more so we will understand who is involved in these transactions?

A. The three city managers supervise the metropolitan area of Los Angeles. The metropolitan area was divided into three principal areas and each of the city managers was responsible for one of those areas. Each one of those areas was divided into two districts with a district manager working in each district. So that each city manager had two district managers that worked under his direction.

The area outside of the metropolitan area of Los Angeles, which comprised the balance of the zone, going as far north as Bishop and Paso Robles, as far south as Mexico, and Clark County, Las Vegas, and two dealer points in Arizona, was under the jurisdiction of Mr. Faust, the assistant zone manager.

This area, as I recall, was divided into six districts with a district manager assigned to each of those districts, who was responsible to Mr. Faust and whom he supervised.

Q. All right. Now, you tell me that these cars were—or the papers on these cars were brought into the zone office?

A. Yes, sir.

Q. And the city managers, one of the city managers or [fol. 990] the assistant zone manager talked to the dealer who had supplied cars to be sold through the discount houses?

A. Yes, sir.

Q. And that you were present at most of these conferences?

A. Yes, I was. Not for the entire conference but for a good part of it.

Q. All right. The times you were there, what was—was there any difference in the tenor of these, the substance of these conversations?

A. No, there was no difference as far as I could see.

Q. Well, just tell me in substance what was said when you were there.

A. Well, as best I can recall—and I was present when the matter was discussed with Mr. Newman and Mr. Priester and Mr. Cashman—it seems to me there was somebody else, but I can't recall. This was simply a discussion of our policy and in all cases that I sat in on the dealers were unaware that this—this was still going on in their place of business or somebody in their place of business had taken it up.

And we were showing them that this would be a possible violation of their selling agreement, again discussing Mr. Staley's letter with them and at the same time giving them an opportunity to repurchase the car.

[fol. 991] Q. Did any of them refuse to repurchase the car?

A. No, they did not.

Q. What would you have done if they had refused?

A. We would have simply sold the car to another dealer. This is not—this is not unusual, Mr. Mitchell. Frequently when dealers have perhaps too many cars, their inventory is too high, their sales projection may have been perhaps not just exactly in accordance with the sales they got, they might end up with too many cars in inventory or they might be out of balance with respect to certain series and model, or they might have had a situation where they got up to their credit limit with the finance company and couldn't keep the cars they had.

So we would take these cars and sell them to other dealers, because here you have a pretty big area with a large volume and where you have one dealer that has too many cars you may have another dealer that has too few. So we move cars around considerably, and this is not at all an unusual factor in our business.

Q. To whom did you have the checks made that paid for these cars that these supplying dealers repurchased?

A. To Cameron Aikens.

Q. Did you report back to the dealer associations or any of them as to how you had handled these cars?

A. No, I did not. I was certainly under no obligation [fol. 992] to do that. As I mentioned before, this wasn't any of their business.

Q. Do you remember when the last car was offered for repurchase, Mr. O'Connor?

A. Well, I don't remember exactly, Mr. Mitchell. It was early May. That is about as close as I could put it.

Q. This is in 1961?

A. Yes, sir, again 1961.

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Q. Government's Exhibit 201, which I have handed you, [fol. 993] is a memorandum dated January 18, 1961, from Mr. Mays to Mr. Crawford, and on the second page there are two paragraphs that I want to read to you to refresh your recollection.

Mr. Mays says: "Toward the end of our discussion with Mr. Cash it was agreed that after a little time had elapsed it would be well for Mr. Cash to make the necessary arrangements to actually shop as many of these discount houses in order to see if any Chevrolet dealers were still cooperating with them. In fact, Mr. Staley asked Mr. Cash to start shopping some of the discount houses on about January 19th, which happens to be tomorrow.

"It was agreed that if need be the individual who would be actually trying to make a deal through a discount house would be authorized to go through the consummation of a sale and actually buy a new Chevrolet. Any costs involved with regard to this shopping would be charged to central office."

Did you have a conversation with Mr. Cash about this subject?

A. Yes, I did.

Q. When was that conversation?

A. Well, it was right after this time, Mr. Mitchell. Mr. Cash and I were talking on the phone about some other matters, I believe, and Mr. Cash mentioned to me that he [fol. 994] had been asked to do some shopping and he was

stalling a little bit on it, I believe, and I told him that I had been informed by one of the dealers down here that they had intended to do some shopping in connection with this legislative program of theirs, and that if any information was needed certainly he didn't need to shop right at that time, that I could get information from the dealer on this.

That is about the last I heard of that.

Q. Did you actually do any shopping as suggested in this memorandum of Mr. Mays'?

A. No, we did not, Mr. Mitchell.

Q. And this was a conversation that you had prior to the time when the Schonlaw car, which was the first of the association-shopped cars, was dealt with?

A. Yes. This was a conversation where I was told that they had planned to do some shopping in connection with this legislative program.

[fol. 995] Q. Did you, during this time when you were receiving information about shopped cars, and were offering these cars back to the dealers who had sold them, did you have any conversations with Mr. Cash about this matter?

A. Yes, I did.

Q. Do you remember when one or more of those conversations was?

A. Well, one of them was immediately after the Schonlaw and the Hopper transactions, when I told him that Ted Schonlaw had wanted to buy this car back, and I had allowed him to do it. And also the Wondries incident.

And he made some comment about a new dealer—it being a little unusual for a new dealer to get into this type of business right after he had been appointed a Chevrolet dealer.

Q. A small new dealer sign, small letters?

A. Yes.

Q. Did you tell him how you had handled the matter?

A. Yes, I did.

Q. What did you tell him?

A. I told him that we had got back to the dealer and had again covered with them our policy, and again tried to persuade them—if they weren't already so inclined—to stop it.

And that this I felt was something that we should do [fols. 996-997] because every dealer that we had talked to

had told us that they were either going to stop it or they didn't have any intention of getting into it. And here was a way of bringing to their attention that they were not doing what they said they would do, and again an opportunity to discuss with them our policy with respect to this kind of business.

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[fol. 998] Q. All right. Now, between the time that you talked to Mr. Cash about the Schonlaw and Wondries transactions, and when you talked with Mr. Cash about the matter in Government's Exhibit 144, did you talk with Mr. Cash about these five or six other vehicles that had been brought to your attention, and that you had offered back to the dealers for repurchase?

A. Yes, I did.

Q. What other discussion did you have with Mr. Cash?

A. Well, I can't tell you, Mr. Mitchell. I don't remember. But I talked to Mr. Cash frequently, I don't recall what I said to him or what he said to me.

Q. You weren't concealing anything from him?

[fol. 999] A. No, I was not.

Q. Now, if you will look at Government's Exhibit 144, please, at the third paragraph there it says:

"Secondly, the fourth, fifth and sixth paragraphs on page 2 of the Auto Dealer Business Letter dated March 22nd, referring to Chevrolet wholesale personnel in connection with discount house sales of new cars."

What is the Auto Dealer Business Letter?

A. Well, this Auto Dealer Business Letter was a—was called the Green Letter, I believe, which was a kind of a gossip column about the automobile business here in Southern California.

I believe the man who published it was, his name was Green. And I don't know his circulation, but I was apparently on his mailing list because he had sent me copies whenever it was published. And I don't know how often this was, whether it was every month or every week—I think it was every month.

And then I think it was a four-page sheet, as I recall,

and just dealt in gossip about the automobile business around Los Angeles.

Q. All right. Now, did you discuss this March 22nd Auto Letter—Auto Dealer Business Letter with Mr. Cash?

A. Yes, I did.

[fol. 1000] Q. Was this over the phone?

A. Yes, I talked to him over the phone about it. And I sent him a copy of it.

Q. You sent him a copy of the March 22nd Auto Business Dealer Letter?

A. Yes, I did.

Q. All right. Now, what did you say to Mr. Cash and what did Mr. Cash say to you with respect to this matter?

A. Well, I told him that the comments that this man was making in his gossip sheet were completely untrue.

Q. What comments?

A. Well, some comment about the dealers being forced to eat cars.

Q. What do you mean by "eat cars"?

A. Well, I think it probably means that we were forcing a dealer to take back a car. And this was not the case.

Q. Did you tell Mr. Cash this?

A. Yes, I did.

The Court: Is this—what was the name of this sheet?

The Witness: I believe it was called the Green Letter, your Honor.

The Court: Did it carry advertising?

[fol. 1001] The Witness: No, I don't believe he was ever able to get any advertising. I received a note from him a couple of times that he would like to have some advertising. But obviously it wasn't the kind of publication that we would place any advertising in. I never answered him.

[fol. 1002] By Mr. Mitchell:

Q. All right. Now, if you will, turn to page 2 of Government's Exhibit 144, please.

I want to talk to you about whether you discussed these matters with Mr. Cash. In the second full paragraph, the

third line, "These associations for some weeks now have been shopping the various discount houses"——

Let's stop there. Did you discuss that with Mr. Cash in this conversation?

A. Yes, sir.

Q. What did you tell him?

A. You mean in the conversation this is a report of (indicating)?

Q. Yes.

A. No, I don't believe so in this conversation, but previously I had told him that.

Q. Previously you had told him that?

A. Yes.

Q. Had you told him that?

A. Yes.

Q. The next clause of that sentence is, "whenever they are able to buy a new Chevrolet they go through with the deal,"——

Had you talked to Mr. Cash about that previously?

A. Yes, I had.

[fol. 1003] Q. Had you told him that?

A. Yes, sir.

Q. The next clause says, "—with the cars being bought in the name of the attorney who works for the association."

What did you say Mr. Cash, if anything, about that?

A. Well, I had told him that the cars were bought by the association and then when the dealer decided he wanted to repurchase the car he gave the money to the attorney of the association.

Q. The next sentence, the first phrase reads, "The associations themselves contact the selling dealer——"

Did you tell him anything about that?

A. No, I didn't.

Q. Is that correct?

A. Well, it is not what I said. It may be correct in what he told Mr. Mays. I don't know that.

Q. I am not asking you that. I am asking about the fact of whether it is, so far as you know, true that the associations themselves contact the selling dealer.

A. I don't know whether they did not, Mr. Mitchell.

Q. So far as you know, did they?

A. No. I don't know.

Q. The memorandum here states, "The dealer did [fol. 1004] not—" excuse me.

"In practically all cases we find that the dealer did not realize that such sales had been made."

Had you told Mr. Cash anything about that?

A. Yes, I had.

Q. What had you told him?

A. I told him just that, that in these cases where we had discussed the matter with the dealer we went back to him to show him he wasn't doing as he said he would, that this was a complete revelation to them and they didn't know it was going on.

Q. The next phrase, "—as in most cases the dealer, as we understand, has voluntarily bought the car back from the association."

Had you told Mr. Cash anything about that?

A. Yes, sir, I did tell him that.

Q. You told him that?

A. Yes, sir.

Q. The next phrase says, "Chevrolet has nothing to do with these cars being bought back."

The Court: "has had", it says, counsel.

Mr. Mitchell: Yes.

Q. "—has had nothing to do with these cars being bought back."

What did you tell him about that?

[fol. 1005] A. Well, I—this is not what I said to Mr. Cash. However, in a sense I suppose he could say this to Mr. Mays. Really,—

Q. You don't have to speculate on what he could say to Mr. Mays. What did you say to him about this subject?

A. I told him the dealers had a free choice. They could buy the car back or not, if they wished. This is not exactly in accordance with what I told Mr. Cash.

Q. The next phrase says, "—nor have they ever told a dealer that the dealer had to buy back such a car."

What did you say to Mr. Cash about that?

A. I had told him that we never told the dealers they had to buy a car back.

Q. All right. Now, on or about March 27, 1961, which

is the date of this memorandum, did you have a conversation with Mr. Cash about some conversation he had had with Mr. Mays?

A. Yes, sir, I did.

Q. This was over the telephone?

A. Yes. Mr. Cash called me and told me that he had had a conversation with Mr. Mays and that Mr. Mays was concerned whether or not we were doing anything to make the dealer buy a car back, and I told Mr. Cash this was not so, that we were not doing this. This was purely a matter [fol. 1006] of choice by the dealer.

He also asked if I would have any hesitation in demanding a retraction of the statement made in the Green letter, if Mr. Mays proceeded to demand a retraction.

I said I would have absolutely no hesitation whatever, because we were not doing as the Green letter inferred, and that was making the dealers "eat cars," as he put it.

Q. During your entire relationship with this problem of dealers selling through discount houses, Mr. O'connor, were you engaged in a conspiracy, combination or concert of action with any dealer association or with any dealer or group of dealers?

A. No, I was not, Mr. Mitchell.

Q. What were you doing?

A. Well, I think I explained this last Friday, but I will go through it again.

The Court: What were you intending to do? What was your object?

The Witness: My object was to carry out the policy I had been given by the corporation and by Chevrolet, and that was to get to the dealers to show them there was a possible violation of the selling agreement here and try to persuade them to stop it.

I went back to them again in these cases where information had been given to me it was still going on. I was [fol. 1007] interested in completing this job, carrying out the corporation's and Chevrolet's policy.

I was interested in it from my standpoint and from the standpoint of my Los Angeles zone.

By Mr. Mitchell:

Q. Were you trying to help out the dealer associations?

A. No, I was not.

Q. Or any group of dealers?

A. I don't think they need help.

Q. Well, were you trying to help them?

A. No, I was not.

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Cross-examination.

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[fol. 1008] By Mr. Blecher:

Q. Now, at the time you had this meeting, Mr. O'Connor, you were aware of the fact that there were in Los Angeles, in the greater Los Angeles area, three separate and distinct trade associations composed entirely of Chevrolet dealers? You knew that, did you not?

A. Yes.

Q. And you knew their names, did you not, Losor, Foothill and Dealers' Service?

A. Yes.

Q. And you knew, broadly speaking, which dealers composed which of these associations, which dealerships belonged to which of these associations? You could pair them off pretty closely, couldn't you?

A. Fairly closely, yes, sir.

Q. And you were pretty generally familiar with who the officers of these associations were?

A. No, I didn't keep track of the officers. Sometimes I would know, sometimes I wouldn't. They changed officers I think rather frequently.

Q. Well, for example, did you know back in the summer of 1960 that Martin Pollard was the president of Foothill?

A. Yes, I believe I did.

Q. And that he had been president for many years?

[fol. 1009] A. Yes.

Q. Did you have any idea as to who composed the board of directors, for example, of Losor?

A. No, I did not, Mr. Blecher.

Q. Or Dealers' Service?

A. No, I did not know.

Q. Now, when Mr. Steves called you to arrange for this appointment, Mr. O'Connor, I believe your testimony was that he didn't tell you what he wanted to talk to you about, is that right?

A. I don't recall that he told me. He simply asked for an appointment for himself and the dealers who were going to accompany him.

Q. Did he tell you the names of the dealers that were going to accompany him?

A. I don't recall that.

Q. And you didn't question him any further as to what it was they wanted to talk with you about?

A. Not that I remember, Mr. Blecher.

[fols. 1010-1011] Q. Now, this group that came there, you knew when you say them all, did you not, Mr. O'Connor, that each and every one of them was a member of Losor?

A. Well, I presume I did, although I don't recall thinking of it in those terms.

Q. Mr. O'Connor, didn't any of the dealers at this meeting tell you that they, in fact, constituted a committee of Losor that had been designated to call upon you?

A. I don't recall them telling me any such thing.

Q. There was no intimation or conversation at all in connection with what they were doing there as a delegation or group?

A. Yes, they told me what they were doing there.

Q. I mean in terms of there being a committee or a delegation or a group?

A. I don't recall that they told me they were a delegation or a committee at all.

Q. But you won't deny they might have told you?

Mr. Mitchell: I object to that as being argumentative. He says he doesn't remember. It is just argument to do that. Object on that ground.

The Court: Well, I suppose the oldtime cross examination permits. I will allow it. I will allow it.

The Witness: I can't deny because I don't know.

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[fol. 1012] Q. Well, tell me as best you recall what these dealers really complained about in connection with discount houses, Mr. O'Connor?

A. Well, they complained about a group of four or five dealers whom they named that were supplying cars to discount houses in the Orange County area, and they were a little unhappy about some of the complaints that they had had from their own people, from their own sales organization.

I recall that they had stated that some of the salesmen were complaining that they had no chance to get in on a deal, that the customer was sold and gone before the salesman had a chance to get in on the deal.

Q. Didn't some of the dealers in Orange County complain to you about the fact that the dealer up at Eagle Rock was moving these cars down into Orange County at \$75.00 or \$100.00 over cost? Didn't they specifically tell you that?

[fol. 1013] A. They told me Citizens Chevrolet in Eagle Rock was one of the dealers that were supplying the cars.

Q. And didn't—

A. I can't recall they mentioned so much over cost because I doubt if they knew. They didn't seem to have too much information.

Q. Didn't many of the dealers in Orange County tell you that the prices that were being charged through the discount houses were too low and they were forcing them to lose sales or to lower their profits? Didn't they complain about that?

A. I can't recall that. I recall their principal complaint was the fact they were getting a lot of difficulty from their own sales organization, that they were getting in on the deals. They weren't getting the contacts with the customers.

Now, if there was discussion about price, how much they were selling for down there, I don't recall.

Q. Didn't they elaborate on why they weren't getting in on the deals?

A. Well, they were making the point that the customers were going to the discount house and that they weren't getting the exposure that they thought they should have to the customer, and their salesmen were complaining about it. The customer was sold and gone before the salesman in

[fol. 1014] the Chevrolet dealership had a chance to get with them.

Q. You mean they were complaining about the fact the people in Orange County went to the discount house and bought a car and never bothered to go to any dealer?

A. The salesman never got in on the deal.

[fol. 1015] The Court: He never got in on it? You mean he never had a chance to make the sale because the customer didn't show up or couldn't meet the price?

The Witness: The customer didn't show up or they didn't have a chance to contact the customer. The customer didn't come into the dealership or the customer had bought by the time they got to them.

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[fol. 1016] By Mr. Blecher:

Q. What did they say they wanted you to do?

A. Well, they wanted Chevrolet to take some action, and I told them that from the information I had on it, there was very little that we could do about it.

While we don't approve of selling to discount houses, that we certainly don't think it is a good thing for the dealer—we don't think it is a good thing for our product. Nevertheless, we have to recognize the right of a dealer to sell as he wants to, to whomever he wants to; and they knew that.

Q. After this complaint, Mr. O'Connor, did you do anything about advising your superiors in Oakland or in Detroit about this agitation?

A. Yes, I talked to Mr. Cash about it.

Q. What did you tell him?

A. I told him the substance of my meeting with these dealers.

Q. Did you do this in writing or on the telephone?

A. I did not do it in writing. Now, whether I did it on the telephone or in a personal contact, I can't say.

Q. You attended meetings of the zone managers up in Oakland, did you not, from time to time?

A. Yes, I did.

Q. You reported this incident to Mr. Cash at that time?

[fol. 1017] A. After it happened, yes, sir.

Q. Do you know, did Mr. Cash ever tell you whether or not he ever reported it on to Detroit?

A. Not that I recall. Mr. Cash is under no obligation to report back to me on anything.

Q. Now, at the meeting with the dealers in your office, you told them, did you not, you would go out and call upon the dealers that they told you were selling through discount houses, in an effort to persuade those dealers to stop such relationship, did you not?

A. I told them in every case in the zones I had been in, where I was the zone manager, I had always discussed with the dealers when a situation came to my attention that indicated a phase of the business that we did not condone. And that I would talk with these dealers.

Q. And you anticipated talking to these dealers in an attempt to have them or to persuade them to discontinue doing business with discount houses, even though at that time, Mr. O'Connor, you recognized that the dealer had a right to do that?

A. Mr. Blecher, when we come up against a situation like this in Chevrolet, where a dealer is selling to a used car lot or to a discount house, our normal course of action is to talk to that dealer and attempt to persuade him not do it, not to conduct that type of business, even though at [fols. 1018-1019] the same time we recognize his right to sell to whomever he wants to.

Q. Was that the only meeting you ever held with the dealers on this subject, Mr. O'Connor, prior to January of 1961?

A. Yes, I believe it was.

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Q. Let me direct your attention, if I may, Mr. O'Connor, to the period in December 1960.

Did you have around that time a meeting with Roy Cash, shortly after he returned from the regional managers' meeting in Detroit?

A. Mr. Cash was here in Los Angeles during the last week of December, I believe, and we met at that time, yes.

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[fol. 1020] Q. Well, now, did you discuss with Mr. Cash what your plan of action was going to be in connection with contacting the dealers pursuant to Mr. Averill's instructions?

A. Not that I recall. My instructions were quite clear. I don't believe I needed any explanation from Mr. Cash at that time as to just what course of action I would undertake.

Q. Did Mr. Cash lend any assistance at all, or counsel with you in connection with how all of these dealer conferences were going to be handled?

A. No, I don't believe he did.

Q. Did you ask him for any opinions on that subject, any recommendations?

A. Well, I am sure we had some general conversations about it, Mr. Blecher, but I could not repeat it for you [fol. 1021] today.

Q. Well, did you tell Mr. Cash that Mr. Averill had sent you a memorandum directing that you contact all of the dealers in this zone?

A. I think Mr. Cash already knew this. There would be no point in my telling him about it again.

Q. Did you find out what he was doing there in Los Angeles?

A. Who?

Q. Mr. Cash.

A. Yes. Mr. Cash came down here to talk with some dealers.

Q. Did he tell you that he came down here to talk to some dealers?

A. Mr. Blecher, Mr. Cash had called me prior to his coming down here and asked me to arrange for a conference with several dealers individually, which I did for him.

Q. Where did he call you from, Mr. O'Connor?

A. I believe from Oakland.

Q. And he asked you to arrange for a conference with dealers, did he tell you which dealers he wanted to see?

A. Yes, he told me that he wanted to talk to the dealers who were selling cars through discount houses.

Q. And did he tell you that he had been directed by Mr. Averill in Detroit to meet with those dealers personally? [fol. 1022] A. No, not at that time.

Q. Did he tell you that at any time?

A. Yes, I think he told me later.

Q. When was later?

A. After he came to Los Angeles,

Q. And did he tell you to ascertain, as best you could, the names of each dealer who was doing business with discount houses so that he could meet with those dealers?

A. No, I don't think he told me to ascertain the dealers who were doing this type of business. We already knew that.

Q. You didn't know all of them, did you?

A. I think by that time we knew, if not all of them, most of them.

Q. How many were there?

A. I believe there were not more than possibly seven.

Q. What else did he tell you in this telephone conversation?

A. That is all I can recall.

Q. And he came down here during Christmas and New Year's is that correct?

A. I believe that was the period of time, yes.

Q. And you had Mr. Young arrange appointments for [fol. 1023] the six or seven dealers that were doing business with the discount houses?

A. No, I believe I had had the city manager in each area who had a dealer, or dealers who were doing business with discount houses, to set the conference up.

Q. Did you sit in on any of those conferences?

A. No, I did not.

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[fol. 1024] Q. After he had those meetings with the dealers individually, did he discuss with you what the substance of his conversations with these dealers were?

A. No he did not.

Q. He didn't mention a word?

A. Yes, he mentioned a word.

[fols. 1025-1028] Q. Well, what did he say?

A. He just said that his conferences were well received, and he thought they were very satisfactory.

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[fol. 1029] Q. Now, I noticed in your examination on direct examination both you and Mr. Mitchell talked about this Staley-Roche letter in terms, that it said sales from discount houses could be a violation of the agreement.

Now, will you tell me, Mr. O'Connor, as you read the letter, in what circumstances discount house selling would [fol. 1030] be a violation and in what instances it would not be?

The Court: You mean what he considered?

Mr. Blecher: He said a statement of policy. I want to understand what he understands.

The Court: That is exactly what you are asking for, what he considered.

Mr. Blecher: That is correct, your Honor.

The Court: Yes.

The Witness: Well, I would consider a sale to a discount house, where the title passed from the dealer to the discount house, as not being in violation of the selling agreement. I would consider a sale that a discount house made for the dealer, where title passes directly to the customer, as a possible violation of the selling agreement.

[fol. 1031] Q. Yes. I understand you considered a possible violation. I want to know, when is it a violation, in your judgment, as the highest Chevrolet official in this area, and when wasn't it?

A. It wasn't when the title passed directly to the discount house. When the title passed to the customer and the sale was made by the discount house, it was probably a violation.

Q. Yes, I know it was probably a violation.

Mr. O'Connor, when was it and when wasn't it?

A. Well, I would say it was a violation when the dealer establishes these connections where he has an outlet in another dealer's territory, another dealer's back yard.

Q. You mean it depends on how far the outlet is from the dealer's place of business?

A. No, it does not. The dealer is not entitled to more than the one outlet.

Where the discount house constitutes an established location, which they were, then it is a violation of the selling agreement.

Q. Well, how do you know when it was a location and when it wasn't?

A. Well, I would say that when the discount house handled the transaction, it is a second location.

Q. What if the discount house doesn't do anything [fol. 1032] more, Mr. O'Connor, than give the prospective buyer a card and say, "Get in your car and go see a dealer"? That is a violation?

A. Yes, I would say that is a violation.

Q. What criteria do you use to say when it is and when it isn't?

A. The criteria I would use, Mr. Blecher, would be anything that constitutes a location where there is available information with respect to buying a new Chevrolet from another dealer who may be either widely separated or perhaps not so widely separated.

Q. Well, now, let me ask you this: Mr. Mitchell asked you this question, Mr. O'Connor, on page 723:

"Q. Why didn't you tell each of these dealers that he was violating his contract and he had better stop or his contract would be terminated?"

Do you remember that question?

A. Yes, these—

Q. I want to change it a little bit. In the conversations you had with all the dealers in the Los Angeles zone, Mr. O'Connor, why is it you didn't tell a single one that he was violating his contract?

A. This is not my prerogative as zone manager, Mr. Blecher. I was not authorized to do that.

Q. Were you not authorized to tell the dealer that [fols. 1033-1034] General Motors considered a sale through discount houses to be a violation of the contract, even after you received the Staley-Roche letter?

A. After I received the Staley-Roche letter, we went to the dealers and asked them to review their operations, in the light of whether or not their arrangements with the discount house were valid with respect to the Selling Agreement.

I had no authority to go in to a dealer and say, "This is, period, a violation of your Selling Agreement." Those were not my instructions.

Q. Well, the fact of the matter is, Mr. O'Connor, in every conversation you or your subordinates had with the dealer, not once did you ever say to the dealer flatly and unequivocally that his relationship with the discount house or referral service constituted in Chevrolet's judgment or your judgment or General Motors' judgment a violation of his franchise agreement, is that right?

You didn't say that to one dealer once, did you?

A. The dealer had the letter and he can read just as well as we can.

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[fol. 1035]

June 23, 1964

By Mr. Blecher:

Q. Well, now, can you tell us what you told Mr. Hawthorne to do when the Gus Teacher transaction, which involved Fleet Sales and West Adams Chevrolet, came to your attention?

A. Yes. I talked to Mr. Hawthorne and asked him to recontact Mr. Trider at West Adams Chevrolet, and again discuss with him the policy that we had received on December 29th, or that had been issued on December 29th, and try to persuade him to cease doing this kind of business.

[fol. 1036] Q. Did Mr. Hawthorne ever report back to you on his conversation with Mr. Trider?

A. Yes, I believe he reported back to me concerning this matter, and told me that he had discussed it with Mr. Trider. And Mr. Trider wanted a few days to consider it.

And then later I believe he told me that Mr. Trider had called him again and told him that he was going to get out of this kind of business.

Q. Now, in connection with that one or more reports which Mr. Hawthorne made to you concerning his contact with Mr. Trider, did Mr. Hawthorne tell you that Mr. Trider did not consider Fleet Sales to be a discount house?

A. I can't recall that Mr. Hawthorne told me that, Mr. Blecher.

Q. Do you recall whether or not Mr. Hawthorne told you that Mr. Trider felt that he had complete control over

those transactions, the potential transactions that were referred to him by Fleet Sales? Any conversation along those lines?

A. No, I cannot recall that. As I mentioned, I recall that he told me that Trider wanted a few days to think it over.

Q. In connection with that, Mr. O'Connor, did Mr. Hawthorne tell you that Mr. Trider wanted a few days, not [fols. 1037-1038] only to think it over, but to ascertain whether or not the other dealers had terminated their relationships with discount houses and referral services?

A. Yes, I believe Mr. Hawthorne referred—mentioned that to me.

Q. Did you give any instructions to Mr. Hawthorne as to what he should tell Mr. Trider in that regard, namely, whether or not the other discount houses were—the other dealers were going to give up, or had given up their relationships with discount houses and referral services?

A. No, I don't believe that I did, Mr. Blecher, because this was subsequent to the time that all of the dealers had told us that they were either going to give it up or had no intention of getting into it.

And Mr. Hawthorne, of course, was familiar with that.

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[fol. 1039] Q. Mr. O'Connor, let me invite your attention to page 2 of the Warren Biggs letter, the big paragraph at the beginning, down at the last line of that paragraph on page 2.

A. Yes, sir.

[fol. 1040] Q. "It would also be obvious to you that we would be most reluctant to discard an account as good as this one without rather concrete assurance that it would not be immediately picked up by another Chevrolet dealer."

Do you recall whether or not Warren Biggs made a statement similar, in substance and effect, to that?

A. No, I can't remember he made this statement. Again it is possible he did because this is a long, long time ago, Mr. Blecher, and I remember they were talking about the discount house business, but I can't tell you whether he made these two statements.

Q. Let me invite your attention, Mr. O'Connor, to your memorandum to Mr. Mays, Exhibit 22, the second page, if you will, the second paragraph from the bottom, which reads:

"However, we believe many dealers will cease this type of business if they had any assurance that the account would not be picked up by some other dealer immediately upon relinquishment."

On what basis did you make that representation to Mr. Mays?

A. Well, I made that representation to Mr. Mays based on Mr. Biggs' letter, in which he is making this statement to Mr. Keown.

[fol. 1041] The Court: Let's see if we understand each other. The statement being what?

I am asking you, the statement you are referring to being what?

The Witness: My statement that I made to Mr. Mays in my letter to him of November 22nd, in which I said:

"However, we believe many dealers will cease this type of business if they had any assurance that the account would not be picked up by some other dealer immediately upon relinquishment."

Then I told Mr. Blecher that I made this statement to Mr. Mays because of the statement contained in Mr. Biggs' letter to Mr. Keown, which was an attachment to my letter to Mr. Mays.

The Court: What does it mean there, "picked up"?

The Witness: Well, it means, your Honor, that if Mr. Biggs dropped the Fedco account he would naturally expect some other Chevrolet dealer to move in and pick that account up.

The Court: Was Fedco an account? In what sense—that is what I am getting at.

The Witness: They referred to it as an account at that time.

The Court: I see.

The Witness: This was a discount house—

[fol. 1042] The Court: You were not referring to it as an account, were you, or were you?

The Witness: Well, yes, I referred to it as an account because Mr. Biggs did in his letter.

The Court: All right. Go ahead.

Mr. Blecher: Mr. Figg, may I have Exhibit 201, please?

(Exhibit was handed to counsel.)

The Court: I would like to ask a question.

When was the first day that you can recall that General Motors took a firm stand, made a decision as to what they were going to do? Do you know?

The Witness: Yes, sir, I do know. When I received Mr. Averill's letter dated December 16th, in which I had instructions for myself, the three city managers and the assistant zone manager, to contact all the dealers.

Now, attached to his letter, in which he had an excerpt from Mr. Roche's and Mr. Staley's letters, were also copies of Mr. Staley's and Mr. Roche's letters to the dealers.

The Court: What I am trying to find out is, had you arrived at a point where you were going to say to a dealer, "Well, this is it. Either you do this or else"? Did you ever arrive at that point?

The Witness: No, sir, I never arrived to that point.

[fol. 1043] The Court: Had the company, had General Motors, to your knowledge?

The Witness: Had the company?

The Court: Yes.

The Witness: Not that I know of, your Honor.

The Court: In other words, what I am gathering from your testimony is that this was the art of persuasion you were trying to use, is that right?

The Witness: Yes, that is exactly right, your Honor.

The Court: Without any threat or force of any kind? By "threat" I mean threat to terminate the contract or do anything of that kind.

The Witness: There were no threats to terminate the contract. There was no coercion, no intimidation of any kind at any time.

The Court: Go ahead, counsel.

By Mr. Blecher:

Q. Mr. O'Connor, do you have Plaintiff's Exhibit 201, Mr. Mays' letter to Mr. Crawford?

A. Yes, sir.

Q. I would like to read to you the third paragraph on the first page. It is a little long. You can read along with me.

[fol. 1044] "Mr. Cash promptly arranged for and personally had individual conferences with each of the approximately 15 dealers in the Los Angeles zone who were known to be cooperating in one form or another in the sale of new cars through the various discount houses."

Let's stop there for a moment. Do you know for a fact whether he met with 15 dealers or whether he met with only six or seven?

A. He met with only six or seven, Mr. Blecher.

Q. Do you have any facts at all, Mr. O'Connor, to explain why this memorandum speaks of 15 dealers?

A. No, I do not. I could not tell you.

Q. The second sentence of that paragraph reads:

"In these conferences Mr. Cash reviewed the contents of Mr. Roche's letter and the very logical reasoning behind the position taken by General Motors on this subject, which obviously was just as important to the benefit of the individual Chevrolet dealers as it would be to the benefit of General Motors in protecting the franchise system of operation."

Do you know of any facts, Mr. O'Connor, to indicate Mr. Cash did anything in these conferences with the dealers except to review the position taken by Mr. Roche in the letter?

[fol. 1045] A. Do I know of anything else that he did?

Q. Yes, sir.

A. No, I do not.

Q. The next sentence reads:

"Immediately concluding Mr. Cash's conferences with these particular dealers it was arranged that Mr. O'Connor, the zone manager, together with the city

managers in Los Angeles and the assistant zone manager, to divide up and hold conferences with all the other dealers in the zone, of whom there was no knowledge of their having cooperated in the sale of new cars through discount houses."

Is that accurate?

A. Yes.

Q. Is that, in fact, what happened?

A. Yes, that is accurate.

[fol. 1046] Q. That sentence reads——

The Court: One moment, counsel.

Mr. Blecher: Excuse me, your Honor.

The Court: You say it was arranged that Mr. O'Connor, the zone manager—who arranged it?

The Witness: This was done on instructions that I had received from Mr. L. H. Averill, who at that time was our executive assistant general sales manager, who in this letter of December 16th instructed us to hold these conferences with the dealers.

The Court: Perhaps I interrupted you, go ahead. I had thought I wanted to clear something—I will wait until you finish that page, counsel.

By Mr. Blecher:

Q. The last sentence in that paragraph, Mr. O'Connor, reads:

"This was done in order that every dealer with whom the subject was discussed would know that a similar discussion was being held with all other dealers, so that if certain dealers should elect to discontinue their cooperation with a discount house, we might be able to discourage some other dealer who might be solicited from starting the practice."

Did you understand, Mr. O'Connor, that to be the pur-
[fol. 1047] pose for which you and your subordinates in the L. A. Zone were to contact all of the dealers who were not doing business with discount houses?

A. No, I didn't understand that exactly in that way, Mr. Blecher. The letter itself states that it is planned that our

wholesale organization will contact all of the dealers. And that is exactly what we did.

Now, this might be—this might be something that somebody would assume as an afterthought, I presume, that this would have that effect. But this was not in my mind as we made the contacts.

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[fol. 1048] The Court: What was your understanding?

The Witness: My understanding, your Honor, was that we were to contact each of our dealers to review with them the Staley letter in detail.

The Court: That is what we call, I take it, the policy [fol. 1049] letter, is that right?

The Witness: Yes, sir. And we were to find out if there was any question in their minds. And if there was we would try to help them with it. If we couldn't, why, we certainly would have gotten a ruling for them from Detroit, or from some other place.

The Court: A ruling on what?

The Witness: On their question, on whatever their question might be.

The Court: Well, suppose they said to you, well, I am going on with the discount houses. What are you going to do about it? What were you supposed to do if they did that?

The Witness: Well, in that event it would have been my job, your Honor, to call this to the attention of Mr. Cash.

The Court: You would have conveyed that information on up through channels to General Motors, is that right?

The Witness: Yes, yes, your Honor.

The Court: Go ahead, counsel.

You had not been instructed—one other question—you had not received, as I understand your testimony, any instructions that, to take any action of any kind, other than to review?

[fol. 1050] The Witness: Yes, sir, your Honor.

The Court: So if you had gotten an answer of that tenor you would have, instead of doing anything, you would have stopped there, after the persuasion failed, and sent it

through channels to General Motors Corporation, is that right?

The Witness: That would have been my action, yes.

The Court: All right.

By Mr. Blecher:

Q. The fact is, Mr. O'Connor, as you understood it in January of 1961, that the persuasion which Mr. Cash engaged in with the dealers did not fail?

A. Did not—pardon?

Q. Did not fail? You understood that the dealers with whom Mr. Cash talked, each, in fact, discontinued his dealings with discount houses shortly thereafter?

A. Yes, I knew that.

Q. You also knew, did you not, that it would not have accomplished anything substantive for those dealers to have given up the accounts if other dealers were going to come along and pick them up?

A. I am sure it would have been—would have complicated the problem considerably had they done so. However—

[fol. 1051] The Court: I don't get what you mean, counsel. If other dealers had come along and picked what up?

Mr. Blecher: If Warren Biggs gave up the Fedco account, Mr. O'Connor, you would not have understood that to accomplish anything if another Chevrolet dealer then commenced doing business with Fedco?

The Witness: No, it would not have accomplished anything.

The Court: Was that the reason—counsel, am I interrupting, breaking your trend?

Mr. Blecher: No, your Honor.

The Court: If I am, I will restrain myself.

Is that the reason that I read here, this proposition that you are going to talk to all of the dealers apparently, is that right?

The Witness: Yes, sir.

The Court: Was that for the purpose of heading off any person who might decide to do business with a discount house?

The Witness: That was not my understanding at the time, though it would have had this effect.

The Court: What was the purpose of your understanding?

The Witness: I was following the instructions I had in Mr. Averill's letter of December 16th.

[fol. 1052] The Court: That was, though, to make it known to various dealers that General Motors didn't wish this dealing with discount houses, wasn't it?

The Witness: Yes, sir.

The Court: And that was the purpose of calling on the people, the ones that were dealing with the discount houses?

The Witness: Yes, sir.

The Court: To stop it, and to persuade them to stop, and to persuade the others, is that right?

The Witness: We were to talk to them about what their intentions were with regard to this type of business.

The Court: Meaning you were to persuade them not to undertake that type of operation?

The Witness: Yes, your Honor.

The Court: Go ahead, counsel.

By Mr. Blecher:

Q. Now, you recognized at that time, Mr. O'Connor, that in order for that plan which the judge has just interrogated you on, to be effective you would have to find some form of finding out what was going on in connection with dealers doing business with discount houses?

A. No, not at that time I didn't recognize that.

Q. When did—

A. The dealers had said they intended to drop it. And [fol. 1053] those that weren't doing it said they didn't intend to take it up.

Q. At that time you accepted those representations on face value?

A. I felt that those statements were made in sincerity by the dealers.

Q. Then some of the complaining dealers brought to your attention the fact that cars were still being sold through discount houses, did they not?

A. Yes, they did, Mr. Blecher.

[fol. 1054] Q. Now, the fact is, Mr. O'Connor, you

solicited them to advise you about these facts as they became known to the dealers, did you not?

A. I did not at any time.

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[fol. 1055] Q. Let me hand you Plaintiff's Exhibit 134, Mr. Cone—

Mr. Mitchell: Mr. O'Connor is the name.

By Mr. Blecher:

Q. —Mr. O'Connor. It is a letter from Mr. Cone dated January 26, 1961.

Now, Mr. O'Connor, in January, early January of 1961, did you or did you not know that the dealers with whom Mr. Cash had met in these personal private conferences in your office had, in fact, agreed with Mr. O'Connor—with Mr. Cash—excuse me—that they would discontinue their dealings with discount houses?

A. Yes, I am sure I knew this.

Q. And you knew, did you not, from the contacts you and your subordinates in the Los Angeles zone had made at or about that same time that the other dealers with whom you and they spoke gave you the assurance they would not commence selling to discount houses?

A. Yes, that is correct.

Q. In fact, Mr. O'Connor, so far as you knew that understanding was pretty well known throughout all the dealers and by all the dealers in the Los Angeles area, was it not?

A. Mr. Blecher, I couldn't tell you that. I don't know [fols. 1056-1057] whether it was generally known.

We had covered the matter with the dealers individually, but whether this was generally known throughout the Los Angeles area I do not know.

Q. Let me ask you this: In the course of the conversations you had with dealers, did you have any conversations yourself with dealers?

A. Yes.

Q. Didn't any of the dealers inquire as to why you had singled them out for a telephone call?

A. They were notified in the letter from Mr. Staley they

would be contacted by us, Mr. Blecher. They requested the contact be made.

Q. Did any of the dealers ask you whether or not you were calling other dealers?

A. I don't think they had to. I don't recall any dealer asking me that, because the letter said we were going to contact all dealers.

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[fol. 1058] Q. Is it your testimony, Mr. O'Connor, that at no time after early January 1961 did you inform any of these dealers that those dealers who were doing business with discount houses had, in effect, told Mr. Cash they were going to stop? You never made that known to anyone?

[fol. 1059] A. No, I did not. We simply covered the policy with the dealers.

Q. Let me hand you Plaintiff's Exhibit 176, Mr. O'Connor, which is a resolution of the board of directors of the Losor Chevrolet Dealers Association.

At the time you received the thank you letters were you aware of the fact that those letters which were directed to you and others in Chevrolet or General Motors were written pursuant to that resolution?

A. No, I did not, Mr. Blecher.

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Q. But you were aware of the agreement entered into between Mr. Cash and each of the dealers with whom he met, that they would give up selling through discount houses?

A. I don't know of any agreements Mr. Cash entered [fol. 1060] into, Mr. Blecher. I believe I testified that Mr. Cash told me that his conferences with the dealers were well received and he was quite satisfied, and that is the extent of my knowledge of his contacts with the dealers.

Q. I mean that wasn't a day or so after Mr. Cash left but subsequently you learned, did you not, that the dealers with whom he met had told him they were going to give up these discount houses?

A. Yes, I did learn it, Mr. Blecher, and I learned it because, in making our contacts with the dealers, we made

no attempt whatever to eliminate from our contacts the contacts that Mr. Cash had made. So all of the dealers that Mr. Cash talked to were also talked to by my city managers and myself.

Q. You knew at or about the same time Mr. Cash knew that those dealers intended to give up that business, discount house business?

A. I knew after we had made our contacts, yes.

Q. When was the first time, Mr. O'Connor, that you learned, if ever, that the three dealer associations, that are defendants in this litigation, had created a committee to engage in shopping activities?

A. Well, I had a call, Mr. Blecher, in January, around mid-January, I think, where one of the dealers—and I can't tell you for sure who it was—

[fol.1061] The Court: What year, please?

The Witness: 1961, your Honor. It may have been Owen Keown, it may have been Martin Pollard.

At any rate, in this conversation they told me they had intended to do some shopping in connection with a legislative program they were considering.

By Mr. Blecher:

Q. Who told you that, do you remember?

A. No, I can't tell you for sure. It could have been any one of a number of people. One of the dealers, at any rate, Mr. Blecher.

Q. In any event, when they told you they were going to do this for some legislative program, did they tell you specifically who was doing it, Mr. O'Connor?

A. No, they didn't.

Q. Whom did you think it was doing it, these three isolated dealers, or one isolated dealer?

A. No, I assumed the dealers were doing it.

Q. As a body?

A. I don't know whether they were acting as a body.

Q. Mr. Mitchell interrogated you with respect to certain cars that were brought to your attention and subsequently repurchased by dealers who had sold them through discount houses. You recall that?

A. Yes.

[fol. 1062] Q. Now, did you know at the time those cars were purchased and the information concerning them was made available to you, Mr. O'Connor, those cars were purchased by funds supplied by the three defendant dealer associations?

A. Yes, I knew this a little later on, I believe. Originally, when this information was first offered to me and I told them I would accept it, I believe I knew at that time that the Orange County Losor group was doing the shopping.

[fol. 1063] Q. Well, we are talking now about the transactions after the John Armour transaction.

A. Yes.

Q. And after the car they bought from Schonlaw.

A. Yes.

Q. There were a series of cars thereafter, some five or six?

A. Yes.

Q. That were brought to your attention as having been purchased by someone from a discount house, through a discount house?

A. Yes.

Q. Do you recall those?

A. Yes.

Q. Now, it is with reference to those transactions, I am asking you whether or not you were aware of the fact that the funds used to purchase those cars came from a kitty to which each of the three associations contributed?

A. No, I didn't know that it came from a kitty, that each Chevrolet association contributed to.

Q. Well, now—

A. I knew that the association was doing it. The Schonlaw car, for example, I knew had been purchased by the Losor group.

Q. Now, we are past the Schonlaw car.

[fol. 1064] A. Yes.

Q. We are talking about the other five or six cars, Mr. O'Connor. What I am asking you is, without quarreling about words, whether or not you knew that the associations had put up the money to buy these cars?

A. Yes, I knew they had put up the money.

Q. And you also knew, did you not, that they had hired a private investigator for the purpose of going around

from discount house to discount house to see if he could buy a car?

A. No, I did not know that they had a private investigator.

Q. When was the first time you learned about that, Mr. O'Connor?

A. I believe I would have to say that the first I knew about that was during the criminal suit.

Q. You mean during all of the time you received this information, and all of the tape recordings, you didn't know that they had hired a private investigator to do this work for them?

A. No, I don't believe I did. I can't recall that I knew that at all.

Q. Didn't you ever ask any of the dealers who were spending all this time shopping these discount houses?

A. No, I did not.

[fol. 1065] Q. And they never volunteered to you that they had hired somebody to do this for them?

A. I can't recall that they ever told me anything about that. They simply offered the information and I told them I would take it.

Q. Well, now, where did you think the tape recordings had come from?

A. From whoever was doing the shopping.

Q. These tape recordings were each furnished to you, were they not?

A. Mr. Blecher, I can't tell you for sure whether there was a tape recording with each transaction. There were some tape recordings.

Q. Well, what was the purpose for which you received the tape recordings, Mr. O'Connor? What would that help you?

A. The tape recordings came in with the other information relative to the purchase of the car from another dealer through a discount house.

The tape recording was offered to us, along with the other documentary material.

When we got the tape recording, and we had our conference with the dealer, we thought it would be interesting to him—as it was to us—that is, the dealer from whom this car came through a discount house, to hear just how this

[fol. 1066] transaction was handled. And in some cases they were amusing and interesting.

Q. Now, where did you get the tape recorder to play them for each of the dealers?

A. I believe we used our own. Most of the zone offices are equipped with projector equipment and tape recorders, things of that nature.

Q. Now, reflect on that a moment, Mr. O'Connor. In fact, you went out and rented one for each one of these meetings that you had with the dealers, didn't you?

A. Mr. Blecher, I can't answer that. Normally a tape recorder is part of the zone office equipment. If we didn't have one, why, perhaps we did rent one. But I can't tell you for sure whether we did or did not.

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[fol. 1067] Q. Mr. O'Connor, wasn't that really at least a principal reason why you went and got a tape recording and played this—a recorder and played this tape recording to the dealer, namely, to humiliate him?

A. No, it was not. And there was no humiliation whatever.

The Court: Well, was it to confront him? Was that the purpose?

The Witness: No, it was not to confront him, your Honor. In most cases that I had any contact with in this matter these cars had actually gotten away from a dealer. And I think I could say that the dealers were appreciative of the matter being brought to their attention. And they certainly were not embarrassed or humiliated by any tape recording.

In fact, they were amused in some cases, and they were interested to find out who in their organization was still doing this when they had said they wouldn't do it.

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[fol. 1068] By Mr. Blecher:

Q. Mr. O'Connor, I think you testified yesterday that in the early part of 1961, because of your sales quota you figured you had a pretty big job on your hands and were very busy, is that right?

A. Yes, we were very busy, Mr. Blecher.

Q. I take it then your city managers were busy.

A. Yes, we were all busy; we always are.

Q. I suppose that would infiltrate down to the dealer level, since they were selling these cars, that they were pretty busy.

A. I am sure everybody connected with the automobile business, so far as we are concerned, is quite busy, yes, sir.

Q. What I can't understand, in the light of those facts, Mr. O'Connor, is why you were concerned with a stray car getting through a dealership, that you would take the time personally, require your city manager to take his time personally, to require the dealer to take his time personally to come down to the zone office, have a big conference, listen to a tape recording about a car sold through a discount house.

Why didn't you just handle this by a five-minute telephone conversation?

[fol. 1069] A. Because we felt it was quite an important matter. This was a matter that involved a policy that had been announced by General Motors Corporation. We felt that this was something that did require our attention.

Q. You didn't think it could be accomplished by calling up the dealer and telling them about the circumstances without this elaborate conference?

A. No, I did not, Mr. Blecher. I felt that this was a way of bringing to the dealer, bringing to his attention the fact that he was not doing as he said he was, and as he said he would. I thought this was a particularly effective way of showing him that, in spite of the fact that he had told us that he was not going to be in this business or didn't intend to get in this business, that, in fact, he was in this business, even though it may have been done by one of his salesmen or somebody else in the dealership.

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[fol. 1070] Q. At any time during this period, Mr. O'Connor, did it occur to you to tell the associations that if they wanted the cars to be repurchased they ought to go to see the dealers themselves?

A. No, it didn't occur to me to have them do that. This was something I wanted to do.

[fol. 1071] Q. Well, now—

A. This I felt was a very effective means of bringing to the attention of the dealers the fact that here, this is going on in your place of business.

Q. I think you testified yesterday that you did not have any intention of aiding the dealer associations at any time, is that correct?

A. No, I had no interest in aiding the dealer associations. They certainly don't need my aid.

Q. They don't need your aid?

A. Well, no.

Q. Didn't you realize, Mr. O'Connor, that the probability was that a dealer would not repurchase the car if asked to do so by a representative of his dealer association?

A. I don't think that ever occurred to me, Mr. Blecher. I don't believe I even thought about it in that connection.

Q. Well, you certainly didn't really expect any dealer to refuse to repurchase the car after this meeting you had in which you played the tape recording and asked him whether or not he was willing to do so, did you?

A. No, I do not believe that I thought that any dealer would refuse to purchase the car. But, Mr. Blecher, I have been calling on dealers for twenty years. And certainly no [fol. 1072] dealer, in all of the years that I have been calling on them, selling them something, has there ever been any hesitation on the part of the dealer in deciding not to buy, if he so desired.

These men are men of independent thought and action, in my opinion—or they wouldn't even be Chevrolet dealers. And, certainly, they are capable of independent thought. And if they didn't want to buy the cars, they certainly didn't have to. And they would have told me so.

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[fol. 1073] Q. Did you realize that some of the dealers were paying more to repurchase the cars than they had actually sold them for?

A. Yes.

Q. In the face of that you still didn't expect any dealer to refuse to repurchase?

A. If a dealer had refused to repurchase it would have

been perfectly all right with me. I would have sold it to somebody else.

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[fol. 1074] Q. When you asked the dealers to make checks payable to Cameron Aikens, you understood him then to be a representative of the FLD group, which was the advertising fund set up by the three defendant dealer associations?

A. Yes, I knew he acted in that capacity.

Q. It was in that capacity you thought he should be the custodian of the funds?

A. I didn't think he should be the custodian of the funds. I didn't know anything about a custodian or I didn't know anything at that time about any fund.

Q. Who else—

A. I was simply asked if I sold the car that the money go to Cameron Aikens.

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[fol. 1075]

DEFENDANTS REST

Mr. Mitchell: The defendant General Motors rests.

Mr. Blecher: The Government has no rebuttal, your Honor.

[fols. 1076-1077] The Court: And what about the dealers?

Mr. Hansen: The Dealer Associations rest, your Honor.

The Court: Very well. Let's see, we have our date set now for the simultaneous filing of proposed findings and conclusions of law. And that will be most helpful to me, I can assure you.

Now, is there any desire to file any memorandum of any kind, in addition to those prior to argument—what date did we set it on, the 27th of July, was it?

The Clerk: I thought you were going to cover that at the conclusion of the trial, your Honor.

The Court: Would you mind repeating that date?

The Clerk: You said to July 27th in regard to the memorandums.

The Court: Well, I will have to go back, as to the findings they were supposed to be filed when?

Mr. Blecher: July 14th.

The Court: July 14th, not later than that date.

Mr. Mitchell: Well, in response to one of the—I believe one of the memoranda in the early part of the trial—I don't have the transcript here but I am pretty sure my recollection is correct—you requested simultaneous filing at that time, or suggested you were going to request it with references to the transcript and other documents.

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[fol. 1078] The Court: I might ask you this before we leave, counsel, Mr. Blecher, are you familiar with the cases, for example, the tax cases in which the courts have held for many, many years that there cannot be a violation of law, even though a person set out to evade taxes, if there were no taxes due. Are you familiar with that line of cases?

Mr. Blecher: Very generally, your Honor.

The Court: Well, the theory of those cases is if you don't owe a tax, no matter what you set out to do, insofar as tax evasion, you can't violate the law. And I take it if you conspired to defraud the Government in a tax case when there was no tax due, it probably would not be an offense.

I am wondering what the parallel is here. Let us assume, for the purpose of discussion, that General Motors had the legal right to terminate these contracts with their dealers upon the theory that they were violating their contracts, just assume, *arguendo*, then if they had that legal right, is [fol. 1079] there a parallel present similar to the tax case?

Mr. Blecher: Yes, I think, your Honor, if you find that they had the legal right to require the dealers not to do business with discount houses you are going to have to find against us.

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[fol. 1080]

[File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Honorable CHARLES H. CARR, Judge Presiding

No. 62-1208-CC Civil

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, et al., Defendants.

[fol. 1081] OPENING ARGUMENT ON BEHALF OF THE
PLAINTIFF

Reporter's Transcript of Proceedings—July 27, 1964

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[fol. 1082] The Court: I suppose with semantics we can do most anything. What you are assuming is that there is a boycott.

In other words, if I have a contract with ten dealers in Southern California, and I find out through some of my customers who come to me and tell me about it, and I go out and say, "You fellows must stop that, you are violating the contract," then I have formed a boycott. That is what you are saying, isn't it?

Mr. Blecher: That is correct, your Honor.

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[fols. 1083-1084] The Court: Well, what right do they have to distribute Chevrolet automobiles? This is the point I am getting at. What is their legal right, or privilege—call it—we can go back to Hoffield, if you want to, and call it a privilege rather than a right—what privilege do they have, legal privilege do they have to distribute Chevrolet automobiles?

Mr. Blecher: They have a right to enter into Chevrolet

dealer agreements with Chevrolet dealers who own these cars to help them, cooperate with them in some form in the sale of those cars, and absent a constitutional right to the contrary—

The Court: So then the Constitution steps in and deprives General Motors of their contractual obligations and rights? That is what you are saying.

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[fol. 1085] ARGUMENT ON BEHALF OF THE DEFENDANT
GENERAL MOTORS

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[fol. 1086] The Court: Well, how do you answer this claim of the Government here that, they say that by going, having these meetings, getting together with these different persons, that what you in effect did was to come to an agreement or understanding to bring about a boycott of the discount houses?

Mr. Mitchell: Well, there is no boycott when we are requiring our dealers to adhere to a lawful provision of an agreement.

And Mr. Blecher seems to concede that when he says, "I think, your Honor, if you find that they had the legal right to require the dealers not to do business with discount houses you are going to have to find against us."

So there is no boycott so long as we are trying to get the dealers to adhere to their agreement they have already made. We don't need any new agreements. We just need them to behave themselves in accordance with the existing agreements.

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[fol. 1087] The Court: Very well.

Now, I take it we are finished filing memoranda.

Mr. Blecher: Yes, your Honor.

The Court: And in the meantime I will have a chance to read the Government's memorandum—I don't know how it got misplaced.

Mr. Hansen: We did not file a memorandum with our findings—

The Court: I know.

Mr. Hansen: The reason we didn't, we felt we had adequately covered it in our pretrial briefs.

The Court: Well, I have read those, counsel. And I am not prepared to say that I know what the law is. But I have at least attempted to make myself acquainted.

But I am still concerned—and I will leave this thought [fols. 1088-1105] with you—I think we start out with major premises here, that if we could reduce to the lowest common denominator the next time—and that is this theory, your boycott theory, I am not too sure that I understand that a person who has no particular reason or right to be in a particular business, if he is excluded that that is a boycott.

Let's say a person, for example, who is a carpenter and he complained that he is excluded from the plumbing business.

Well, I don't see how necessarily that results in a boycott. I don't think it has any effect upon him.

Now, he may want to open some plumbing business, just as a hobby, I don't know. Is that a boycott?

I thought that boycotts generally dealt with excluding competitors from particular fields, making it impossible for them to compete in that field.

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[fol. 1106] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 1

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, Plaintiff

v.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL CHEV-
ROLET DEALERS ASSOCIATION, Defendants

STIPULATION OF FACTS NUMBER ONE—January 27, 1964

[fol. 1107] Plaintiff and each of the defendants, through their respective counsel, hereby stipulate that witnesses, if called, would testify to the following facts. It is expressly understood and agreed that:

(a) This stipulation is for the purpose of the above-entitled case only;

(b) Nothing in this stipulation shall be construed to preclude either plaintiff or any of the defendants from offering any evidence relevant to any issue in this case, including evidence which may be related to but does not not contradict the particular facts herein stipulated;

(c) The stipulated facts and the exhibits attached thereto or any of them may be offered in evidence by plaintiff or by any defendant at any time during the trial of this case whether prior or subsequent to the completion of plaintiff's case;

(d) Plaintiff and each defendant reserves the right to object to the receipt into evidence of any fact herein stipulated on any ground or grounds.

I. DEFINITIONS.

1. As used in this stipulation, the following terms have the meanings indicated:

(a) "Chevrolet automobiles" means all of the various series and models of new passenger cars, station wagons, and trucks sold by the Chevrolet Motor Division of General Motors Corporation under trade names including "Chevrolet", "Corvair", and "Corvette", but excluding "Chevy II" and "Chevelle".

(b) "Chevrolet dealer" means any of the persons, firms or corporations who were parties to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors Corporation as described in Paragraph 17 hereof.

(c) "Southern California area" means the Counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial, San Luis Obispo, and Santa Barbara, State of California.

II. FACTS.

2. General Motors Corporation (hereinafter General Motors) is a corporation organized and existing under the laws of the State of Delaware with principal offices both in New York, New York, and Detroit, Michigan.

3. The Chevrolet Motor Division of General Motors with its principal offices in Detroit, Michigan, is the sole producer of Chevrolet automobiles.

4. During the period June 1, 1960, through October 12, 1961, John F. Gordon, sometimes referred to as Jack Gordon, was President of defendant General Motors. Mr. Gordon was, during said period, the chief operating officer of General Motors.

5. During the period June 1, 1960, through October 12, 1961, Edward M. Cole was a Vice President of defendant General Motors and was the General Manager of the Chevrolet Motor Division, having general supervision over the operations of said division.

6. During the period June 1, 1960, through October 12, 1961, James M. Roche was a Vice President of defendant General Motors and had general supervision over the Central Office Distribution Staff on General Motors. During that period, such Distribution Staff had as its principal duty the administration of sales, marketing, warranty and service policies adopted by General Motors; the coordination

of policies and practices in these areas of the various General Motors divisions; and the collection and analysis of information and statistical data relating to these areas. During the period, these duties mainly were performed by three departments: The Sales Section, the Service Section and the Advertising and Market Research Section.

7. During the period June 1, 1960, through October 12, 1961, Howard E. Crawford was Manager of the Sales Section of the General Motors Central Office Distribution Staff under the general supervision of James M. Roche, a vice president having jurisdiction over such staff. During that period, Howard E. Crawford had general supervision over [fol. 1110] the personnel and activities of said Sales Section which performed the duties of such Distribution Staff relating principally to the sale and marketing of General Motors products.

8. During the period June 1, 1960, through October 12, 1961, Albert H. Belfie was Merchandising Manager of the Sales Section of the Central Office Distribution Staff of General Motors and, under the general supervision of Howard E. Crawford, Manager of such Sales Section, had as his principal duties the establishment and administration of dealer training programs, collecting information regarding and analyzing programs for the merchandising of General Motors products, and coordinating and assisting Division Sales Promotion Managers in the activities of the various Divisions relating to such merchandising.

9. During the period June 1, 1960, through October 1, 1961, Sidney G. Gilliatt was Manager of Dealer Organization in the Chevrolet Central Office Dealer Organization and Analysis Department under the general supervision of George A. Greig, Manager of such department. During that period, Sidney G. Gilliatt had as his principal duties the accumulation and analysis of data regarding placement and location of Chevrolet dealerships. During the period of October 1, 1961, through October 12, 1961, Sidney G. Gilliatt was Manager of the Chevrolet Central Office Dealer Organization and Analysis Department and had general supervision over the personnel and activities of said department which were principally concerned with collecting and analyzing data regarding the performance of dealers under [fol. 1111] their Dealer Selling Agreements, changes in

Chevrolet dealerships, and the adequacy and location of Chevrolet dealers generally.

10. During the period June 1, 1960 through October 12, 1961, Kenneth E. Staley was General Sales Manager of the Chevrolet Motor Division of General Motors. During said period Mr. Staley maintained his office in Detroit, Michigan, and had general supervision over all sales department functions and activities of the Chevrolet Motor Division under the general supervision of Edward N. Cole, the General Manager of the Chevrolet Motor Division.

11. During the period June 1, 1960 through October 12, 1961, Lawrence W. Averill was the Executive Assistant to the General Sales Manager of the Chevrolet Motor Division of General Motors and had general supervision over the dissemination of sales department policies to the field sales organization under the general supervision of Kenneth E. Staley, the General Sales Manager. During said period, Mr. Averill maintained his offices at Detroit, Michigan.

12. During the period June 1, 1960 through October 12, 1961, Lewell N. Mays was assistant General Sales Manager-West of the Chevrolet Motor Division of General Motors and had general supervision of the field sales organization at the various locations in the geographic territory under his jurisdiction (substantially all the area in the continental United States west of the Mississippi River), under the general supervision of Kenneth E. Staley, the General Sales Manager, and Lawrence W. Averill, the Executive Assistant to the General Sales Manager.

[fol. 1112] 13. During the period June 1, 1960 through October 12, 1961, Roy M. Cash was Regional Manager, Pacific Coast Region of the Chevrolet Motor Division of General Motors and operated under the general supervision of Lee N. Mays, the Assistant General Sales Manager-West. The geographic territory under Cash's jurisdiction included the entire States of California, Oregon, Washington and Alaska, and parts of the States of Nevada, Idaho and Arizona. Cash had general supervision over the sales staff members of the Chevrolet Pacific Coast Region and of the Chevrolet Zones in the geographic territory under his jurisdiction. During said period, Cash maintained his offices at Oakland, California. During said period R. D. Lund was

Assistant Regional Manager assisting Cash in the performance of his duties.

14. During the period June 1, 1960 through October 12, 1961, Robert M. O'Connor was Zone Manager for the Los Angeles Zone of the Chevrolet Motor Division of General Motors Corporation. The approximate geographic territory within the Los Angeles Zone included the area bounded on the north by the northernmost line of Kern County, extended across the width of the State of California; bounded on the south by the Mexican border; bounded on the west by the Pacific Ocean and on the east by a line passing through Las Vegas, Nevada, and Yuma and Parker, Arizona. O'Connor had general supervision over the operation of the Los Angeles Zone, under the general supervision of Roy M. Cash, the Regional Manager for the Chevrolet Pacific Coast Region.

[fol. 1113] 15. During the period May 1, 1960 through October 12, 1961, Fred M. Thompson, Max A. Young and Darrell V. Hawthorne were the three City Managers and Jere Faust was the Assistant Zone Manager of the Chevrolet Los Angeles Zone, except that for the months of May and June, 1960, R. F. Palmer was one of the City Managers in place of Darrell V. Hawthorne. During this period, each of these City Managers and the Assistant Zone Manager had jurisdiction over a particular area within the Chevrolet Los Angeles Zone, under the general supervision of Robert M. O'Connor, the Zone Manager. The duties of each of these City Managers and the Assistant Zone Manager included giving assistance to the Chevrolet dealers under his jurisdiction in the general conduct of their businesses.

16. During the period May 1, 1960 through October 12, 1961, Eugene P. Moran was Los Angeles City Business Manager, whose duties were, under the general supervision of the three Los Angeles City Managers, Max A. Young, Fred M. Thompson and Darrell V. Hawthorne (R. F. Palmer in May and June, 1960), to counsel Chevrolet dealers, in the Los Angeles Metropolitan area, regarding the business management phases of their dealerships.

17. During the period January 1, 1960 through October 12, 1961, the individuals, co-partnerships or corporations named in column 1 of Exhibit 1 attached hereto were all of

the Chevrolet dealers in the Counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial, San Luis Obispo and Santa Barbara in the State of California. During the said period, each such Chevrolet [fol. 1114] dealer was a party to a "Dealer Selling Agreement" with the Chevrolet Motor Division of General Motors Corporation (hereafter in this paragraph 17 called "Chevrolet").

Each Dealer Selling Agreement was in the form of Exhibit 2.1, Exhibit 2.2 or Exhibit 2.3, attached hereto. Each Dealer Selling Agreement having a beginning effective date prior to November 1, 1960, was in the form of Exhibit 2.1, and each Dealer Selling Agreement having a beginning effective date on or after November 1, 1960, was in the form of Exhibit 2.2; except that Warren Biggs Chevrolet, a corporation, named in Exhibit 1, was a party to a Dealer Selling Agreement in the form of Exhibit 2.3 during the period January 1, 1960, through October 31, 1960.

The "Terms and Conditions" set forth in Exhibit 3.1, attached hereto, were made a part of each Dealer Selling Agreement having a beginning effective date prior to November 1, 1960, by provision Second of each such Agreement. The "Terms and Conditions" set forth in Exhibit 3.2, attached hereto, were made a part of each Dealer Selling Agreement having a beginning effective date on or after November 1, 1960, by provision Second of each such Agreement.

Pursuant to said "Terms and Conditions" each dealer had established a place of business and dealership facilities at a location approved by the Chevrolet Motor Division of General Motors Corporation. With respect to each dealer, said location was as set forth in column 2 of Exhibit 1. [fol. 1115] Paragraph First of each Dealer Selling Agreement referred to an area as follows:

(a) As to each of the said Chevrolet dealers opposite whose name appears "Metropolitan Los Angeles" in column 3 of Exhibit 1 hereto, the area referred to in said paragraph First was defined, from January 1, 1960, through March 31, 1961, in the terms of Exhibit 4.1, attached hereto, and from April 1, 1961, through October 12, 1961, in the terms of Exhibit 4.2, attached hereto.

(b) As to each of the said Chevrolet dealers opposite whose name appears "Metropolitan San Diego" in column 3 of Exhibit 1 hereto, the area referred to in said paragraph First was defined, from January 1, 1960, through October 31, 1960, in the terms of Exhibit 5.1, attached hereto, and from November 1, 1960, through October 12, 1961, in the terms of Exhibit 5.2, attached hereto.

(c) As to each of the said Chevrolet dealers opposite whose name appears "San Bernardino County" in column 3 of Exhibit 1 hereto, the area referred to in said paragraph First was defined, from January 1, 1960, through October 12, 1961, in the terms of Exhibit 6, attached hereto.

(d) As to each of the said Chevrolet dealers not included in paragraphs (a), (b) and (c) above, the area [fol. 1116] referred to in said paragraph First was defined, from January 1, 1960, through October 12, 1961, in the terms appearing opposite the name of such dealer in column 3 of Exhibit 1 hereto.

Each Dealer Selling Agreement was effective during the period appearing opposite the name of each dealer in column 4 of Exhibit 1 hereto, except that where Exhibit 1 shows that a Dealer Selling Agreement regarding a particular location was executed before the expiration date of a previous Dealer Selling Agreement regarding the same location, the previous Dealer Selling Agreement was superseded by the subsequent Dealer Selling Agreement.

Each dealer opposite whose name appears a date or dates in column 5 of Exhibit 1 entered into a "Metropolitan Area Addendum" with Chevrolet in the form of either Exhibit 7.1 or Exhibit 7.2, attached hereto, on such date or dates.

[fol. 1117] 18. Defendant Losor Chevrolet Dealers Association (hereinafter "Losor") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California.

19. Membership in Losor from June 1, 1960, to October 12, 1961, consisted of Chevrolet dealers, as defined in paragraph 1(b) above, located in Orange County or Los Angeles County, State of California, as set forth in Exhibit 8, attached hereto.

20. The corporate officers and the corporate directors of Losor from June 1, 1960, to October 12, 1961, were as set forth in Exhibits 9 and 10, respectively, attached hereto.

21. Defendant Dealers' Service, Inc. (hereinafter "DSI") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California.

22. Membership in DSI from June 1, 1960, to October 12, 1961, consisted of Chevrolet dealers, as defined in paragraph 1(b) above, located in the County of Los Angeles, State of California, as set forth in Exhibit 11, attached hereto.

[fol. 1118] 23. The corporate officers and the corporate directors of DSI from June 1, 1960, to October 12, 1961, were as set forth in Exhibits 12 and 13, respectively, attached hereto.

24. Defendant Foothill Chevrolet Dealers Association (hereinafter "Foothill") is a non-profit corporation, organized and existing under and by virtue of the laws of the state of California.

25. Membership in Foothill from June 1, 1960, to October 12, 1961, consisted of Chevrolet dealers, as defined in paragraph 1(b) above, located in the Counties of Los Angeles, Riverside or San Bernardino, State of California, as set forth in Exhibit 14, attached hereto.

[fol. 1119] 26. The corporate officers and the corporate directors of Foothill from June 1, 1960, to October 12, 1961, were as set forth in Exhibits 15 and 16, respectively, attached hereto.

27. LFD Chevrolet Associates, Inc. (commonly known as "LFD") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in LFD consists of defendants Losor, DSI and Foothill. LFD engages in the advertising of Chevrolet motor vehicles.

28. The following persons, firms and corporations are the discount houses or referral services referred to in plaintiff's complaint and maintained a place of business at the stores and addresses listed adjacent to their respective names during all or part of the period from January 1, 1960, through October 12, 1961:

Name of Person, Firm or Corporation	Names of Stores and Addresses
AAAA Auto Lease & Sales, Inc.	2514 W. Olympic Blvd., Los Angeles, Cal.
"	5200 Laurel Canyon Boulevard North Hollywood, Cal.
"	Leonard's Discount Store 600 N. Sepulveda, El Segundo, Cal.
[fol. 1120]	
AAAA Auto Lease & Sales, Inc.	Leonard's Discount Store 12891 Harbor Blvd., Garden Grove, Cal.
Autorama	9650 Lincoln Ave. (now 2322 Lincoln Ave. due to renumbering) Anaheim, Cal.
The Brockway Plan Cal Fleet Auto Sales	1809 S. Brand, Glendale, Cal. Cal Stores 2500 Carson, Lakewood, Cal.
Car Wholesalers	13306 Ventura Blvd. Sherman Oaks, Cal.
Castle Sales, Inc.	More Department Store 3443 S. Sepulveda, Los Angeles, Cal.
"	More Department Store 18300 Vanowen, Reseda, Cal.
"	More Department Store 8682 Garvey Blvd. South San Gabriel, Cal.
Robert Chico	ABC Store 3328 W. Bolsa, Santa Ana, Cal.
[fol. 1121]	
Robert Chico	Gemco Store 9700 Lincoln Ave. (now 2300 Lincoln Ave. due to renumbering) Anaheim, Cal.
"	Udisco Store 12500 Bellflower, Downey, Cal.

Name of Person, Firm or Corporation	Names of Stores and Addresses
"	F.O.R.E. Store, Inc. 1201 E. Highland Ave. San Bernardino, Cal.
"	Union Store 9135 Central Ave., Montclair, Cal.
"	J. M. Arnoff Co. (Big "A" Store) 8341 Canoga Ave., Canoga Park, Cal.
Dealers Diversified Services, Inc.	Fedco Store 3912 Slauson Ave., Los Angeles, Cal.
"	Fedco Store 14920 Raymer, Van Nuys, Cal.
"	Fedco Store 5436 N. Woodruff, Lakewood, Cal.
[fol. 1122]	
Dealers Diversified Services, Inc.	Fedco Store 1140 W. 2nd St. San Bernardino, Cal.
Arthur Diamond	12135 Victory Blvd. North Hollywood, Cal.
Fleet Sales Co.	3870 Crenshaw Blvd. Los Angeles, Cal.
Union Car Sales	Certi-Bond Store 501 S. Arlington, Torrance, Cal.
"	Consumers Mart of America 1440 S. Los Angeles, Anaheim, Cal.
Union Fleet, Inc.	Cal Stores 2500 Carson, Lakewood, Cal.

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[fol. 1123] 36. (a) As used in this paragraph the words "said discount houses or referral services" mean the persons, firms and corporations listed in paragraph 28 of this stipulation.

(b) As used in this paragraph, the words "said

documents" mean all of the following documents of said discount houses and referral services prepared in connection with the sale of Chevrolets, pursuant to [fol. 1124] agreements or understandings between Chevrolet dealers and said discount houses or referral services by which said discount houses or referral services performed one or more of the merchandising functions described in paragraph 14 of plaintiff's complaint which were theretofore performed by such Chevrolet dealers:

- (i) Sales journals or ledgers;
- (ii) Purchase orders;
- (iii) Sales invoices;
- (iv) Sales contracts;
- (v) Conditional sales contracts and any other lien-retaining documents;
- (vi) Books, papers and documents showing the appraisal of trade-in cars;
- (vii) Books, papers and documents showing the names of the appraisers of trade-in cars;
- (viii) If any of the books, papers or documents described in Items (i) to (vii), inclusive, is not available or was not used, then any other book, paper or document, however labeled or designated, which served the same purpose.

(c) All of said documents were made as memoranda or records of the sale of Chevrolets in the regular course of business of persons, firms or corporations whose regular course of business included the making [fol. 1125] of such memoranda or records at the time of such sale or within a reasonable time thereafter.

(d) All of said documents are genuine and authentic.

(e) Witnesses, if called, would testify that true and correct copies of all of said documents for the period January 1, 1960, through October 12, 1961, in the possession, custody or control of said discount houses or referral services on or about July 1, 1962, or which had been delivered to plaintiff prior thereto by said discount houses or referral services were delivered to counsel for defendant General Motors Corporation and by said counsel to Price Waterhouse & Co. prior to

January 1, 1963. Said copies may be used with the same force and effect as the originals.

(f) All of said documents shall be available to plaintiff for inspection and copying at Price Waterhouse & Co. during ordinary business hours on dates to be agreed upon by counsel or fixed by the Court and shall be available for use by plaintiff at the time of its cross-examination of any Price Waterhouse witness.

* * * * * * *

[fol. 1126] Dated: January 27, 1964.

Maxwell M. Blecher, Robert C. Weinbaum. By Maxwell M. Blecher, Attorney, Department of Justice. O'Melveny & Myers, Lawler, Felix & Hall, Aloysius F. Power, Robert A. Nitschke, Nicholas J. Rosiello. By Homer I. Mitchell, Hansen & Dolle, Glenn S. Roberts, By Victor R. Hansen, Attorneys for Defendants.

It is so Ordered this 27 day of January, 1964.

Charles H. Carr, United States District Judge.

[fol. 1127] EXHIBIT 2.1 TO STIPULATION OF FACTS
NUMBER ONE

Form No. GSD-T201-A-Chevrolet-56

U.S.A. Rev. 7-59

CHEVROLET MOTOR DIVISION
General Motors Corporation

Dealer

Selling Agreement

This Agreement, effective this day of
....., A.D. 19....., by and between Chevrolet Motor Division—General Motors Corporation, hereinafter called Chevrolet, and

.....
an { individual
or { co-partnership of
a { corporation City County State

hereinafter called Dealer,

General Purpose of This Agreement

The purpose of this Selling Agreement is to set forth the functions and responsibilities of the parties in the sale by Chevrolet to Dealer of the motor vehicles, chassis, parts and accessories covered by this Agreement and the resale of those products by Dealer to its customers.

Both Chevrolet and Dealer recognize that in the manufacture, sale and service of motor vehicles the public is provided with a highly mechanized product of substantial value, the purchase of which is of major economic significance, and the usage of which has become to many a virtual necessity; and that the efficient and safe operation of motor vehicles is dependent upon the maintenance of the highest standards of production by the manufacturer and the highest standards of sales and service performance by the Dealer.

Chevrolet recognizes, therefore, that a sound dealer organization is essential to the public interest as well as to

its own success, and desires a stable and prosperous dealer organization.

Chevrolet has elected to enter into this Selling Agreement with Dealer because of its confidence in Dealer's integrity and business ability. It expects of Dealer, and Dealer acknowledges, that Dealer will actively, aggressively and honestly promote the sale of the motor vehicles, chassis, parts and accessories covered by this Agreement to customers in its trade territory and give to the public prompt, efficient and courteous service; and that Dealer will conduct its business in a manner that will reflect favorably upon the Dealer and its operations, Chevrolet and Chevrolet products and will preserve the good will of the Dealer and its operations and the manufacturer, as well as the product good will that has been created by the production of motor vehicles, parts and accessories of the highest quality and design.

[fol. 1128] Dealer has elected to enter into this Selling Agreement with Chevrolet because of its knowledge of the Chevrolet reputation for integrity and fair business practices and of the customer acceptance for Chevrolet products. Dealer expects of Chevrolet and Chevrolet acknowledges, that Chevrolet will produce and provide, at fair and competitive prices, motor vehicles, parts and accessories that are saleable in Dealer's territory and of a quality and design that under normal conditions and when properly adjusted and maintained, will give good performance for their owners; that, insofar as possible, Chevrolet will make such products available in quantities to meet Dealer's reasonable requirements in Dealer's trade area; that Chevrolet will assist in creating a demand for such products by advertising in various advertising media; and that Chevrolet will assist Dealer in the sale of such products by making available to Dealer, sales assistance and advice, advertising materials and campaigns, and instructions in sales and business methods.

In Consideration of the foregoing and of the promises hereinafter made by the parties to each other, it is agreed as follows:

First: Subject to the terms and conditions hereof, Chevrolet will sell and Dealer will buy Chevrolet motor vehicles and chassis with Dealer having the obligation to develop

properly the sale thereof at retail particularly in the following area:

Second: The terms and conditions set forth in the attached "Terms and Conditions—Dealer", bearing Form No. GSD-T202-Chevrolet-56 are hereby made a part of this Agreement with the same force and effect as if set forth at length herein.

Third: This is a personal contract, being entered into in reliance upon and in consideration of the personal qualifications of and representations with respect thereto of the following named persons, who actively and substantially participate in the ownership or in the operations, or both in the ownership and in the operations of the Dealer:

[fol. 1129]

Participation in Dealership

Name	Ownership	Operation
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>

The individual or individuals designated shall be responsible for any act or omission of any of Dealer's agents or employees which may be contrary to the purposes and objectives of this Agreement or the obligations of Dealer hereunder. Dealer shall not transfer or assign nor attempt to transfer this Agreement or any right or obligation hereunder. Dealer shall not make nor suffer to be made any change in the ownership, financial interests or active management of Dealer without the prior written approval of Chevrolet.

Fourth: This Agreement shall continue in force and govern all relations and transactions between the parties for a term commencing on the stated date of execution hereof and expiring At the end of the stipulated term, this Agreement shall automatically terminate without notice or action on the part of either party unless sooner terminated as hereinafter provided in Section 23.

Fifth: This Agreement is not valid until and unless it bears the facsimile signature of the General Sales Manager and is countersigned by an Assistant General Sales Manager, a Regional Manager, an Assistant Regional Manager or Zone Manager of the Chevrolet Motor Division—General Motors Corporation.

In Witness Whereof, the parties hereto have executed this Agreement in duplicate as of the day and year first above written. .

Chevrolet Motor Division, General Motors Corporation,
K. E. Staley, General Sales Manager. By
—, —, Zone Manager.

Dealer

Firm Name

By

Officer of Firm and Title

By

Officer of Firm and Title

Town and State

Witness:

(If executed by a representative of Dealer, title such as President, Partner, etc., must be indicated.) If Dealer is a corporation, show State in which incorporated:

[fol. 1130] EXHIBIT 2.2 TO STIPULATION OF FACTS
NUMBER ONE

Form No. GSD-T-201

U.S.A. 8-60

CHEVROLET MOTOR DIVISION
General Motors Corporation

Dealer

Selling Agreement

Agreement, effective the day of,
19...., by and between Chevrolet Motor Division—General
Motors Corporation, hereinafter called Chevrolet, and

.....,
an individual
a co-partnership } of
a corporation } City County State
hereinafter called Dealer.

General Purpose of This Agreement

The purpose of this Selling Agreement is to set forth the functions and responsibilities of the parties in the sale by Chevrolet to Dealer of the motor vehicles, chassis, parts and accessories covered by this Agreement and the resale of those products by Dealer to its customers.

Both Chevrolet and Dealer recognize that the mutually beneficial sale of Chevrolet products and the efficient and safe operation of Chevrolet motor vehicles are dependent upon the maintenance of the highest standards of manufacture by Chevrolet and the highest standards of sales and service performance by Dealer.

Chevrolet has elected to enter into this Selling Agreement with Dealer in reliance upon the ability of Dealer to meet and perform the operating requirements hereof and in reliance upon the personal qualifications and business ability of the person or persons who are named in Paragraph Third hereof. Chevrolet expects of Dealer, and Dealer in executing this Agreement acknowledges, that Dealer will actively, aggressively and honestly promote the sale of the

motor vehicles, chassis, parts and accessories covered by this Agreement to customers in the area of sales responsibility described in Paragraph First hereof and will give to the public prompt, efficient and courteous service; and that Dealer will conduct its business in a manner which will reflect favorably upon Dealer and its operations, Chevrolet and Chevrolet products and which will preserve the good will of Dealer and its operations and Chevrolet, as well as the product good will which has been created by the manufacture of Chevrolet motor vehicles, chassis, parts and accessories of the highest quality and design.

[fol. 1131] Dealer has elected to enter into this Selling Agreement with Chevrolet because of its knowledge of the Chevrolet reputation for integrity and fair business practices and of the customer acceptance of Chevrolet products. Dealer expects of Chevrolet, and Chevrolet acknowledges, that Chevrolet will product and provide, at fair and competitive prices, motor vehicles and chassis, parts and accessories, which are saleable in Dealer's area of sales responsibility and which are of a quality and design that under normal conditions and when properly adjusted and maintained will give good performance for their owners; that, insofar as possible, Chevrolet will make such products available in quantities to meet Dealer's reasonable requirements in Dealer's area of sales responsibility; that Chevrolet will assist in creating a demand for such products by advertising in various advertising media; and that Chevrolet will assist Dealer in the sale of such products by making available to Dealer sales assistance and advice, advertising materials and campaigns, and instructions in sales and business methods.

In Consideration of the foregoing and of the promises hereinafter made by the parties to each other, it is agreed as follows:

First: Subject to the terms and conditions hereof, Chevrolet will sell and Dealer will buy Chevrolet motor vehicles with Dealer having the obligation to develop properly the sale thereof at retail particularly in the following area:

Second: The terms and conditions set forth in the attached "Terms and Conditions—Dealer", bearing Form No. GSD-T-202-60 are hereby made a part of this Agreement with the same force and effect as if set forth at length herein.

Third: This Agreement is a personal service contract, and is entered into by Chevrolet with Dealer in reliance upon and in consideration of the personal qualifications of and representations with respect thereto of the following named person or persons who, it is agreed, will substantially participate in the ownership of Dealer and/or will actively participate in the operation of Dealer's Chevrolet dealership:

[fol. 1132]

Name	Participating in Ownership	Participating in Operation
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>

For the purposes of this Agreement the person or persons designated above shall be responsible for any act or omission of any of Dealer's agents or employees which may be contrary to the purposes and objectives of this Agreement or to any provision of this Agreement.

Concurrently with the execution of this Agreement, Chevrolet has endorsed its approval of the ownership, financial interests and active management of Dealer as represented by Dealer on a "Dealer Statement of Ownership, Financial Interests and Active Management" form supplied by Chevrolet. No change in such ownership, financial interests or active management of Dealer shall be made without the prior written approval of Chevrolet. Any such approved change shall be evidenced by the execution of a revised "Dealer Statement of Ownership, Financial Interests and Active Management".

Fourth: This Agreement shall continue in force and govern all relations and transactions between the parties for a term commencing on the stated date of execution hereof and expiring At the end of the

stipulated term, this Agreement shall automatically terminate without notice or action on the part of either party unless sooner terminated as hereinafter provided in Section 18.

In the event a new and superseding form of Chevrolet Dealer Selling Agreement is offered to Chevrolet dealers generally effective November 1, 1965, Chevrolet may terminate this Agreement by prior written notice to Dealer, provided that, at the same time, Chevrolet offers Dealer such new and superseding form of Selling Agreement for a period of not less than the then unexpired term of this Agreement.

Fifth: This Agreement is not valid until and unless it bears the signature or facsimile signature of the General Sales Manager and is countersigned by an Assistant General Sales Manager, a Regional Manager, an Assistant Regional Manager or a Zone Manager of the Chevrolet Motor Division—General Motors Corporation.

In Witness Whereof, the parties hereto have executed this Agreement in duplicate as of the day and year first above written.

Chevrolet Motor Division, General Motors Corporation,
By K. E. Staley, General Sales Manager. By
—, —, Manager.

Dealer

Firm Name

By

Officer of Firm and Title

By

Officer of Firm and Title

Town and State

Witness:

(If executed by a representative of Dealer, title such as President, Partner, etc., must be indicated.) If Dealer is a corporation, show State in which incorporated:

[fol. 1133] EXHIBIT 2.3 TO STIPULATION OF FACTS
NUMBER ONE

Form No. GSD-C201-A-Chevrolet-56

U.S.A. Rev. 7-59

CHEVROLET MOTOR DIVISION
General Motors Corporation

Dealer

Selling Agreement

This Agreement, effective this day of
....., A.D. 19....., by and between Chevrolet Motor Division—General Motors Corporation, hereinafter called Chevrolet, and

.....
an { individual
or { co-partnership of
a { corporation City County State

hereinafter called Dealer,

General Purpose of This Agreement

The purpose of this Selling Agreement is to set forth the functions and responsibilities of the parties in the sale by Chevrolet to Dealer of the motor vehicles, chassis, parts and accessories covered by this Agreement and the resale of those products by Dealer to its customers.

Both Chevrolet and Dealer recognize that in the manufacture, sale and service of motor vehicles the public is provided with a highly mechanized product of substantial value, the purchase of which is of major economic significance, and the usage of which has become to many a virtual necessity; and that the efficient and safe operation of motor vehicles is dependent upon the maintenance of the highest standards of production by the manufacturer and the highest standards of sales and service performance by the Dealer.

Chevrolet recognizes, therefore, that a sound dealer organization is essential to the public interest as well as to

its own success, and desires a stable and prosperous dealer organization.

Chevrolet has elected to enter into this Selling Agreement with Dealer because of its confidence in Dealer's integrity and business ability. It expects of Dealer, and Dealer acknowledges, that Dealer will actively, aggressively and honestly promote the sale of the motor vehicles, chassis, parts and accessories covered by this Agreement to customers in its trade territory and give to the public prompt, efficient and courteous service; and that Dealer will conduct its business in a manner that will reflect favorably upon the Dealer and its operations, Chevrolet and Chevrolet products and will preserve the good will of the Dealer and its operations and the manufacturer, as well as the product good will that has been created by the production of motor vehicles, parts and accessories of the highest quality and design.

[fol. 1134] Dealer has elected to enter into this Selling Agreement with Chevrolet because of its knowledge of the Chevrolet reputation for integrity and fair business practices and of the customer acceptance for Chevrolet products. Dealer expects of Chevrolet, and Chevrolet acknowledges that Chevrolet will produce and provide, at fair and competitive prices, motor vehicles, parts and accessories that are saleable in Dealer's territory and of a quality and design that under normal conditions and when properly adjusted and maintained, will give good performance for their owners; that, insofar as possible, Chevrolet will make such products available in quantities to meet Dealer's reasonable requirements in Dealer's trade area; that Chevrolet will assist in creating a demand for such products by advertising in various advertising media; and that Chevrolet will assist Dealer in the sale of such products by making available to Dealer, sales assistance and advice, advertising materials and campaigns, and instructions in sales and business methods.

In Consideration of the foregoing and of the promises hereinafter made by the parties to each other, it is agreed as follows:

First: Subject to the terms and conditions hereof, Chevrolet will sell and Dealer will buy Chevrolet motor vehicles

and chassis with Dealer having the obligation to develop properly the sale thereof at retail particularly in the following area:

Second: The terms and conditions set forth in the attached "Terms and Conditions—Dealer", bearing Form No. GSD-C202-Chevrolet-56 are hereby made a part of this Agreement with the same force and effect as if set forth at length herein.

Third: This is a personal contract, being entered into in reliance upon and in consideration of the personal qualifications of and representations with respect thereto of the following named persons, who actively and substantially participate in the ownership or in the operations, or both in the ownership and in the operations of the Dealer:

[fol. 1135] Participation in Dealership

Name	Ownership	Operation
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>

The individual or individuals designated shall be responsible for any act or omission of any of Dealer's agents or employees which may be contrary to the purposes and objectives of this Agreement or the obligations of Dealer hereunder. Dealer shall not transfer or assign nor attempt to transfer this Agreement or any right or obligation hereunder. Dealer shall not make nor suffer to be made any change in the ownership, financial interests or active management of Dealer without the prior written approval of Chevrolet.

Fourth: This Agreement shall continue in force and govern all relations and transactions between the parties hereto until terminated pursuant to the terms and provisions hereinafter provided in Section 23.

Fifth: This Agreement is not valid until and unless it bears the facsimile signature of the General Sales Manager and is countersigned by an Assistant General Sales Manager, a Regional Manager, an Assistant Regional Manager or Zone Manager of the Chevrolet Motor Division—General Motors Corporation.

In Witness Whereof, the parties hereto have executed this Agreement in duplicate as of the day and year first above written..

Chevrolet Motor Division, General Motors Corporation,
K. E. Staley, General Sales Manager, By
—, —, Zone Manager.

Dealer

Firm Name

By

Officer of Firm and Title

By

Officer of Firm and Title

Town and State

Witness:

(If executed by a representative of Dealer, title such as President, Partner, etc., must be indicated.) If Dealer is a corporation, show State in which incorporated:

[fol. 1136] **EXHIBIT 3.1 TO STIPULATION OF FACTS
NUMBER ONE**

**GENERAL MOTORS CORPORATION
Chevrolet Motor Division**

Dealer Selling Agreement

[fol. 1137]

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[fol. 1138] Attach Signatural Attachment to This Page

[fol. 1139] Form No. GSD-T202-Chevrolet-56
U.S.A.—3-56

CHEVROLET MOTOR DIVISION
General Motors Corporation

Terms and Conditions

Dealer

The following Terms and Conditions have by reference been incorporated in and made a part of the Selling Agreement which shall apply to and govern all transactions, dealings and relations between the parties:

SELLING RIGHTS, TERMS AND CONDITIONS OF SALE

1. Dealer's Selling Privilege

Dealer is granted the non-exclusive privilege of selling new Chevrolet motor vehicles and chassis and the non-exclusive privilege of using the word "Chevrolet" and the Chevrolet trade-mark or trade-marks, including the distinctive outline or form thereof, as applied to Chevrolet motor vehicles and chassis, parts and accessories.

2. Handling of Dealer's Orders

A. Three Months' Estimate of Requirements

To enable Chevrolet to establish production schedules, and to place orders with its suppliers on the basis of the lead time normally required in the automobile mass production industry, and to have such schedules reflect the best combined estimate of Chevrolet and its dealers of Chevrolet motor vehicle and chassis requirements for future retail deliveries, Dealer will, unless otherwise advised by Chevrolet, furnish Chevrolet every month, on forms provided by Chevrolet, an estimate of Dealer's requirements of new Chevrolet motor vehicles and chassis for the next three (3) calendar months, each month's estimate to be shown separately.

B. Ten-Day Report

To assist Chevrolet in the evaluation of current market trends and in the adjustment of established future production schedules, as well as current production schedules to

the extent possible, Dealer will furnish Chevrolet, every ten (10) days, with a report known as the "Ten-Day Report" on forms supplied by Chevrolet. Such report shall show retail sales of both new and used cars made during said period, new and used car stocks, and unfilled orders on hand at the end of said period.

[fol. 1140] *C. Orders*

Dealer shall submit orders for Chevrolet motor vehicles and chassis to Chevrolet for acceptance at mutually satisfactory periods. Such orders shall be submitted upon order forms supplied by Chevrolet. Accepted orders for any standard products not shipped during the month for which delivery was scheduled will remain in effect unless cancelled in whole or in part by either party upon written notice to the other. However, orders for "special" motor vehicles and chassis, accepted by Chevrolet for the convenience of Dealer, may be cancelled only by Chevrolet.

Any motor vehicle or chassis which differs from Chevrolet's standard specifications and/or incorporates special equipment, and which because of such difference in specifications or increase in price has only a limited use or marketability, shall be considered "special".

D. Failure to Fill Orders

Chevrolet shall not be liable for failure or delay in filling orders of Dealer, which have been accepted by Chevrolet, where such failure or delay is due, in whole or in part, to any labor, material, transportation, or utility shortage or curtailment, or to any labor trouble in the plants of Chevrolet or its suppliers, or to any cause beyond the control or without the fault or negligence of Chevrolet. Dealer shall not be liable for any failure to accept shipments of products ordered from Chevrolet, where such failure is due to any labor trouble in Dealer's establishment or any cause beyond the control or without the fault or negligence of Dealer.

3. Payment by Dealer

Dealer shall pay Chevrolet for each shipment of new Chevrolet motor vehicles and chassis, Dealer's price established by Chevrolet and in effect at the time of such shipment, together with a factory handling charge determined by

Chevrolet, which shall include reimbursement to Chevrolet for any tax which it has paid, incurred or agreed to pay on any such motor vehicles or chassis, on the following terms: Cash, sight draft, or sight draft with bill of lading attached payable with collection charges. Dealer shall pay interest on all drafts in the amounts and from the dates specified therein.

4. Car Shipments

A. Mode of Shipment

To integrate the shipment of assembled vehicles from plant sites with continuing plant production, to minimize required shipping facilities and areas, and to facilitate and expedite loading and transportation of vehicles by carriers, Chevrolet will select the distribution point and the mode of transportation, but Chevrolet will endeavor, whenever practicable, to follow Dealer's requests with respect to routing and mode of transportation. Chevrolet will prepay all charges, including transportation charges, for the delivery of motor vehicles and chassis made to Dealer hereunder.

B. Delivery Charges

In addition to the prices and charges otherwise provided for herein, Dealer will pay Chevrolet the destination charges established by Chevrolet and in effect at the time of shipment for motor vehicles and chassis delivered to Dealer hereunder. Chevrolet has the right at any time to change destination charges, to issue new applicable bulletins, and, if necessary, new applicable Price Lists.

[fol. 1141] *C. Liability for Demurrage*

Dealer shall be responsible for and shall pay any and all charges for demurrage, storage, or other charges accruing after arrival of such shipment at destination.

D. Diversion

If diversions are made upon Dealer's request or as a result of Dealer's failure or refusal to accept motor vehicles or chassis that may be shipped Dealer on Dealer's orders, unless such failure or refusal is excusable under the provisions of Section 2D hereof, Dealer will assume responsi-

bility for and pay the additional charges and expenses incident to such diversion.

E. Claims

All claims for loss of or damage to shipments of motor vehicles and chassis shipped hereunder while in the possession of the transportation agency shall be submitted to Chevrolet by Dealer within twenty (20) days after date of delivery of shipment to Dealer.

5. Change in Pricing

A. Right to Change Prices

Chevrolet has the right at any time to change prices, discounts, terms and provisions affecting any current models or body types of motor vehicles or chassis, and to issue new applicable Price Lists or bulletins.

If Chevrolet changes prices, discounts, terms and provisions, such changed prices, discounts, terms and provisions shall apply to all motor vehicles and chassis ordered by Dealer and unshipped by Chevrolet at the time that the same are made effective by Chevrolet.

B. Price Increases

Except with respect to the pricing of new yearly models or body types at the introduction thereof, Chevrolet shall give written notice to Dealer of any change increasing the price to be paid by Dealer before shipping any current motor vehicles or chassis to which such change is applicable. Upon receipt of such notice, Dealer may cancel or modify orders for motor vehicles or chassis to which any such change applies, provided written notice of cancellation is delivered to Chevrolet within ten (10) days after receipt by Dealer of Chevrolet's notice. All unshipped orders not cancelled as provided herein shall remain in effect for delivery in accordance with said change.

C. Price Reductions

If Chevrolet reduces the price on any of its current models or body types of motor vehicles or chassis, Chevrolet will refund or credit as an allowance to Dealer on all new and unused motor vehicles and chassis of current model and body type, purchased from Chevrolet or purchased from

another authorized Chevrolet dealer during the twelve (12) months immediately preceding the date of such reduction and carried in Dealer's stock as new and unsold at the time such reduction is made, an amount equal to the difference between the price Dealer shall have paid Chevrolet, or would have paid Chevrolet if such units had been purchased from Chevrolet, for any such motor vehicles or chassis and the reduced amount then payable for the same; provided, however, that no refund will be made upon any motor vehicle or chassis used by Dealer for demonstration purposes, nor will any such refund be granted unless written claim therefor, properly documented with supporting data, be made by Dealer in writing within thirty (30) days from the date [fol. 1142] that such reduction becomes effective. In the case of motor vehicles or chassis purchased by Dealer under a title retaining instrument Chevrolet reserves the right to pay such difference in price to the holder of the instrument for account of Dealer.

6. Model Change

In the event that Chevrolet shall, at any time, discontinue current models and body types of Chevrolet motor vehicles or chassis, and substitute in place thereof new models and body types, Chevrolet will make an allowance to Dealer on the total number of new unused motor vehicles and chassis of such discontinued models or body types purchased from Chevrolet, or from another authorized Chevrolet dealer, prior to such model change and still in Dealer's stock unsold on the date hereinafter specified.

The amount of such allowance and the time of payment shall be determined by Chevrolet. Such allowance, however, shall in no case be less than five per cent (5%) of the list price of Chevrolet motor vehicles and chassis of such models and body types about to be discontinued.

The allowance will not be made on any motor vehicles or chassis used by Dealer for demonstration purposes.

The date on which Dealer's stock of discontinued models shall be determined shall be either the Announcement Day designated by Chevrolet on which the new models and body types are officially announced to the general public (local preview announcements excepted), or a date prior thereto designated by Chevrolet.

All claims for the allowance must be made in writing within thirty (30) days from the Announcement Day or the prior date designated by Chevrolet, as the case may be, and must be properly documented with supporting data. If Chevrolet elects to designate a date prior to Announcement Day, Chevrolet will make the same allowance with respect to purchases by Dealer from Chevrolet of corresponding Chevrolet motor vehicles and chassis of those models and body types about to be discontinued made between said designated date and Announcement Day.

7. Model Change at Reduced List Price

If, at the time new models or body types are announced, the list prices of such new models or body types are reduced from the list prices of the same model or body type of the discontinued series, Chevrolet will refund or credit to Dealer a proportionate amount on the price paid to Chevrolet by Dealer, or the price Dealer would have paid to Chevrolet if such units had been purchased from Chevrolet, for those new unused motor vehicles and chassis of the discontinued series purchased from Chevrolet or purchased from another authorized Chevrolet dealer which are in Dealer's stock unsold at the time such new models and body types are announced, provided, however, that such refund will not be paid in the case of such radical changes in size, design and price as to make such new models and body types, for all practical purposes, a new and different series or line of motor vehicles. In the latter event Chevrolet will make such refund or allowance as shall, in its opinion, seem equitable under the circumstances.

Dealer will be entitled to receive the refund allowable under this Section in addition to such allowance as Dealer may be entitled to under Section 6.

[fol. 1143]

8. Change of Design

Chevrolet may change the design of any new Chevrolet motor vehicle, chassis, accessories or parts thereof at any time without notice and without obligation to make the same or any similar change upon any Chevrolet motor vehicle, chassis, accessories or parts thereof, previously purchased by or shipped to Dealer or being manufactured or sold in accordance with Dealer's orders. Such changes

shall not be considered Model Changes as contemplated by Section 6 hereof.

9. Warranty

There are no warranties, expressed or implied, made by Chevrolet to Dealer on the Chevrolet motor vehicles, chassis or parts furnished hereunder except to the extent comprehended in the following:

"The Manufacturer warrants each new motor vehicle, including all equipment or accessories (except tires) supplied by the Manufacturer, chassis or part manufactured by it to be free from defects in material and workmanship under normal use and service, its obligation under this warranty being limited to making good at its factory any part or parts thereof which shall, within ninety (90) days after delivery of such vehicle to the original purchaser or before such vehicle has been driven 4,000 miles, whichever event shall first occur, be returned to it with transportation charges prepaid and which its examination shall disclose to its satisfaction to have been thus defective; this warranty being expressly in lieu of all other warranties, expressed or implied, and all other obligations or liabilities on its part, and it neither assumes nor authorizes any other person to assume for it any other liability in connection with the sale of its vehicles.

"This warranty shall not apply to any vehicle which shall have been repaired or altered outside of an authorized Chevrolet Service Station in any way so as in the judgment of the Manufacturer to affect its stability and reliability, nor which has been subject to misuse, negligence or accident."

10. Parts and Accessories

A. Selling Rights

Chevrolet hereby grants to Dealer the non-exclusive right to sell new Chevrolet parts and accessories and Chevrolet will sell Dealer direct or through a designated parts warehouse, such new Chevrolet repair parts and accessories.

"Chevrolet parts and accessories" as used in this Agreement are defined as being parts and accessories manufactured by or for Chevrolet, designed for use on Chevrolet

motor vehicles or chassis, and distributed by Chevrolet or any division or subsidiary of General Motors Corporation.

B. Prices

Sale of parts and accessories to Dealer will be made according to the prices, terms and provisions established by Chevrolet and in effect at the time of shipment.

C. Billing and Payment

The parts and accessories account of Dealer is due and payable, as per statement rendered, on or before the date specified by Chevrolet. If Chevrolet for reasons of credit deems it necessary to place shipments on a C.O.D. basis, collection charges, if any, are to be paid by Dealer.

[fol. 1144] *D. Return of Defective Parts and Accessories*

After notifying Chevrolet and receiving specific shipping instructions therefor from Chevrolet, Dealer may return for credit defective Chevrolet parts and accessories purchased direct from Chevrolet or acquired as the result of performing warranty adjustments in accordance with the provisions of subsection 19F hereof, at the then current dealer net price of such parts or accessories plus ten per cent (10%); such parts and accessories to be packaged or crated and shipped, transportation charges prepaid. Dealer will be reimbursed for transportation charges prepaid by Dealer on authorized shipments of defective parts and accessories.

E. Return of Inactive Parts

In the event Dealer develops an inactive stock of Chevrolet parts, or for any other reason desires to liquidate a portion of its parts stock, Dealer may submit to Chevrolet a list of those parts purchased direct from Chevrolet, in good condition and unused, which Dealer desires to return for credit. Chevrolet shall promptly review said list and notify Dealer as to which parts will be accepted, the prices therefor and the proper shipping instructions. Thereupon Dealer may package or crate and ship such parts, transportation charges prepaid, in accordance with Chevrolet's instructions.

F. Right to Return Parts Within Ninety Days—Accessories Within Thirty Days

Dealer may return any new Chevrolet parts purchased direct from Chevrolet, which are in good condition and unused, for credit within ninety (90) days after receipt thereof by Dealer. Dealer may also return any new Chevrolet accessories, anti-freeze and other service supplies purchased direct from Chevrolet, which are in good condition and unused, for credit within thirty (30) days after receipt thereof by Dealer; provided further, however, that if Dealer shall have purchased accessories direct from Chevrolet for use in connection with specific motor vehicles for which orders have been placed with and accepted by Chevrolet and such motor vehicles are not shipped to Dealer prior to the introduction of new motor vehicle models, thereby cancelling such orders, then to the extent such accessories are not useable on the new models and are in excess of Dealer's requirements they may also be returned to Chevrolet for credit. Such parts, accessories and service supplies shall be packaged or crated and shipped to the destination specified by Chevrolet, transportation charges prepaid. Credit on new Chevrolet parts and accessories will be at Dealer's net cost. Dealer shall be entitled to return accessories whether same were purchased separately or shipped on or with a new Chevrolet motor vehicle.

Dealer, however, will not be entitled to return materials which are acquired or fabricated specially by Chevrolet upon Dealer's order for a particular service order or car, including unlisted parts or assemblies and any cut or fabricated upholstery or trim items.

OPERATING REQUIREMENTS

11. Dealer's Place of Business

In order to provide product representation commensurate with the good will attached to the name "Chevrolet" and to facilitate the proper sale and servicing of Chevrolet motor vehicles, chassis, parts and accessories, Dealer will [fol. 1145] maintain a place of business satisfactory as to appearance and location, and adequate in size and layout for new car sales operations, service operations, parts and

accessories sales and used car sales, and will maintain the business hours customary in the trade.

Once Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business including any used car lot or location without the prior written approval of Chevrolet.

12. Capital Requirements

Since the amount and structure of working capital and net worth required to handle properly the business to be conducted by Dealer hereunder depends upon many factors, including size of market, sales and service facilities required, anticipated volume and others, and since Chevrolet has set standards for the capital and net worth of all its dealers based on Chevrolet's past experience, Dealer, at the time of execution of this Agreement, shall establish its owned net working capital and net worth in the respective amount and form specified by Chevrolet. If, subsequently due to changed conditions, the amount of owned net working capital or net worth should be materially increased or decreased, or if the way in which either is set up should be changed in any respect for the proper handling of Dealer's business, Dealer and Chevrolet will negotiate to establish a revised amount and structure of working capital or net worth to meet such changed conditions, and Dealer will meet such revised capital requirements within the time agreed upon.

13. Accounts and Records

A. Uniform Accounting System

It is to the mutual interests of Chevrolet and Dealer that uniform accounting systems and practices be maintained by dealers in order that Chevrolet may develop standards of operating performance which will enable dealers to obtain the most satisfactory results from the sales potentials assigned to them, and which will enable Chevrolet to prepare composite dealer profit statements periodically to guide Chevrolet in formulating policies beneficial to the dealers' interests.

Accordingly, Dealer will use and keep up to date a satis-

factory uniform accounting system of a type designated by Chevrolet and will furnish to Chevrolet by the tenth of each month a complete and accurate financial and operating statement with supporting data covering the preceding month's operations, showing the true and actual condition of Dealer's business. Dealer will maintain said system in accordance with the Accounting Manual prescribed by Chevrolet.

B. Examination of Accounts and Records

In order to assure the maintenance of an accounting system of a type designated by Chevrolet, Dealer will permit an examination of its accounts and records to be made by a person or persons, either in the employ of Chevrolet or acceptable to Chevrolet. A copy of the report of such examination will be furnished to both Chevrolet and Dealer.

14. Sale of Motor Vehicles

Dealer shall provide satisfactory sales performance and render satisfactory service to owners in the area described in Paragraph First. Evaluation of Dealer's sales performance [fol. 1146] shall be based on the relationship of Dealer's sales of new Chevrolet passenger cars and trucks in such area, to the sales of other makes of passenger cars and trucks directly competitive therewith both in price and in product in such area, as compared to a similar relationship of the sales of new Chevrolet passenger cars and trucks to other makes of passenger cars and trucks directly competitive therewith specifically in the Chevrolet Zone area wherein Dealer is located, but not necessarily to the exclusion of the Chevrolet Regional area or the National area. Such evaluation shall be based on records generally accepted for such purposes by the automobile industry and shall also take into account other pertinent factors, such as the trend of Dealer's sales performance over a reasonable period of time, the availability and the delivery of Chevrolet passenger cars and trucks to Dealer, and local conditions directly affecting such sales performance.

Where one or more other Chevrolet dealers are located within the area described in Paragraph First, the evaluation of the combined sales performance of all Chevrolet dealers in such area shall be made as provided above, and

Dealer shall contribute its fair share to the sales performance rating for the area. In evaluating Dealer's contribution to the sales performance rating for such area consideration shall be given to such factors as Dealer's sales performance over a reasonable period of time, the availability and delivery of Chevrolet passenger cars and trucks to Dealer, the geographic location of Dealer's place of business and the general shopping habits of the buying public within such area, Dealer's sales participation experience within such area, and Dealer's standard of sales participation within such area (if any) previously determined and accepted by Dealer and Chevrolet.

15. Sales Staff

Dealer shall maintain a staff of salesmen and a selling and customer relations organization adequate to take care of the sales potential of the area described in Paragraph First.

16. Sales and Service Records

In furtherance of the purposes, objectives, and obligations provided for in this Agreement, Dealer will keep complete and up-to-date records regarding the sale and servicing of new Chevrolet motor vehicles and chassis and will permit Chevrolet at all reasonable times in business hours to inspect such records.

17. Customer Complaints

Dealer will receive, investigate and handle all complaints received from customers or prospective customers with a view to securing and maintaining the good will of the public toward Dealer, Chevrolet and Chevrolet products.

18. Treatment of Purchasers

A. Informing Purchasers as to Details of Their Purchases

Dealer will inform retail purchasers of Dealer's delivered prices and will give them itemized invoices covering the details of their purchases.

B. Representations as to Contents of Charges

Dealer will not make any misleading statements or misrepresentations as to the items making up its total selling

price, or as to the prices related to such items, nor make any statements intended to lead any purchaser to believe [fol. 1147] that a greater portion of the selling price of a new Chevrolet motor vehicle or chassis represents destination charges and factory handling charges than the amounts of such items actually charged to and paid for by Dealer.

C. Right of Retail Purchaser to Buy a New Car Without Purchasing Optional Equipment or Accessories

Dealer recognizes that a retail customer has the right to purchase new Chevrolet motor vehicles without being required to purchase any optional equipment of accessories and Dealer, therefore, will either remove any optional equipment or accessories which the purchaser does not want, or will immediately order a new Chevrolet motor vehicle without such optional equipment or accessories.

D. Advertising

Both Chevrolet and Dealer recognize the need of maintaining the highest standards of ethical advertising at all times in order to secure and maintain public confidence in Dealer, Chevrolet and Chevrolet products.

Accordingly, Chevrolet will not publish, cause to be published, encourage or approve any advertising relating to Chevrolet products which is likely to mislead or deceive the public, and Dealer will not publish, cause to be published or approve any advertising relating to Dealer's sale of Chevrolet products which is likely to mislead or deceive the public.

19. Care of Owner

A. Conditioning of New Motor Vehicles

Dealer will condition each new motor vehicle and chassis before delivery, in accordance with Chevrolet's pre-delivery inspection schedule.

B. Owner's Service Policy

Dealer will execute and deliver to each person who purchases a new Chevrolet motor vehicle or chassis from Dealer, an "Owner's Service Policy", on forms furnished by Chevrolet. Dealer will promptly perform and fulfill all

the terms and conditions of said Policy and authorizes Chevrolet to charge its account at the uniform rate established by Chevrolet for coupons covering inspections on new Chevrolet motor vehicles sold by Dealer and performed by other Chevrolet dealers under such "Owner's Service Policy".

C. Stock of Parts

Dealer will carry in stock at all times during the life of this Agreement an adequate number and and assortment of parts and accessories to render proper service to owners of Chevrolet motor vehicles and chassis.

D. Representations as to Parts

Dealer will not sell, offer for sale, or use in the repair of Chevrolet motor vehicles and chassis as new Chevrolet repair parts, any part or parts which are not in fact new Chevrolet repair parts as defined in subsection A of Section 10 of this Agreement.

E. Mechanical Staff

Dealer will employ a sufficient number of competent mechanics to meet adequately the service requirements of the Chevrolet owners.

F. Warranty Adjustment

Dealer will replace any defective part or parts in fulfillment of the warranty set forth in Section 9 hereof without expense to the owners of such vehicles. For such warranty work and for other policy and warranty work performed [fol. 1148] by Dealer for Chevrolet's account Chevrolet will reimburse Dealer therefor as follows:

Parts: If the replaced part or parts are returned to and found by Chevrolet to be defective, Chevrolet will pay or credit to Dealer an amount equal to the then current Dealer net price of such part or parts plus ten per cent (10%). The return of such parts to Chevrolet shall be made in accordance with the provisions of subsection 10D hereof.

Labor: Chevrolet will pay or credit Dealer on the basis of the Chevrolet Flat Rate System of time allotments as recommended and furnished by Chevrolet at one

hundred per cent (100%) of the labor rates related thereto as agreed upon with Chevrolet.

G. Customer Relationship

Dealer will make every reasonable effort to satisfy owners of Chevrolet motor vehicles and chassis and all persons purchasing Chevrolet motor vehicles and chassis from Dealer, and will establish regular contact either by correspondence or personal interview, with such owners or purchasers. All complaints received by Dealer, which cannot be readily remedied, shall be promptly reported in detail to Chevrolet.

20. Signs

Dealer will purchase, erect, and maintain at Dealer's expense the following signs:

A. Product Sign

A standard product electric sign in a conspicuous place outside Dealer's showrooms provided the erection thereof is not prohibited by municipal ordinance or statute.

B. Service Sign

A standard authorized service sign in a suitable location on the outside of Dealer's place of business.

C. Other Necessary Signs

Such other signs as are necessary to advertise Dealer's business properly on a basis mutually satisfactory to both Chevrolet and Dealer.

Chevrolet Name and Trade-Marks

A. Chevrolet's Exclusive Rights

Chevrolet is entitled to the use of the word "Chevrolet", and the Chevrolet trade-mark or trade-marks, including the distinctive outline or form thereof, as applied to motor vehicles and chassis, parts and accessories.

B. Discontinuance of Use Upon Termination

If the word "Chevrolet" is used in the name under which Dealer's business is conducted or the word "Chevrolet" or

any Chevrolet trade-mark, including the distinctive outline or form thereof, is used in any sign or advertising displayed by Dealer, Dealer will, upon termination of this Agreement, or upon the request of Chevrolet, discontinue the use of the same. Thereafter Dealer will not use, either directly or indirectly, in connection with any motor vehicle business, any Chevrolet trade-mark, including the distinctive outline or form thereof, the word "Chevrolet" or any other name, title, expression or mark so nearly resembling the same as to be likely to lead to confusion or uncertainty, or to deceive the public. If Dealer is a corporation in whose corporate name the word "Chevrolet" is used, Dealer will promptly have the corporate name changed, eliminating said word "Chevrolet" therefrom.

[fol. 1149] *C. Dealer's Liability for Failure to Discontinue Use*

If Dealer, after termination of this Agreement, shall refuse or neglect to keep and perform the provisions of subsection B above, Dealer shall reimburse Chevrolet for all costs, attorneys' fees and other expenses incurred by Chevrolet in connection with legal action to require Dealer to comply therewith.

22. Advertising and Promotional Fund

In order to give Chevrolet dealers the advantage of a comprehensive and coordinated dealer advertising program, an Advertising and Promotional Fund, composed of a dealer portion and a factory portion, has been established and is administered by Chevrolet in accordance with the provisions set forth in the Chevrolet Dealer Price List.

A. Dealer Contributions

Chevrolet will collect the amount set forth in the Chevrolet Dealer Price List as the "Dealer Contribution" for each new Chevrolet motor vehicle and chassis purchased and paid for by Dealer, and such amount will be credited to the dealer portion of the Fund for the account of Dealer.

B. Factory Contributions

Chevrolet will pay into the Fund the amount set forth in the Chevrolet Dealer Price List as the "Factory Contribu-

tion" for each new Chevrolet motor vehicle and chassis purchased and paid for by Dealer, and such amount will be credited to the factory portion of the Fund.

C. Modification of Advertising Program

During the term of this Agreement the provisions of the aforesaid advertising program may be modified from time to time either to limit its application and coverage or to broaden its application and coverage to include such items as sales promotional activities. Likewise, the amount of the Dealer and Factory Contributions for each new Chevrolet motor vehicle and chassis purchased and paid for by Dealer may be increased or decreased from time to time with the announcement of new yearly model motor vehicles to compensate for increases or decreases in advertising and other costs; provided, however, that the amount of the Factory Contribution to the Fund for each new Chevrolet motor vehicle and chassis purchased and paid for by Dealer shall at no time be less than fifty per cent (50%) of the amount of the Dealer Contribution for each such motor vehicle and chassis.

TERMINATION OF AGREEMENT

23. Termination

A. Termination by Dealer

Dealer may terminate this Agreement by written notice of termination delivered to Chevrolet, such termination to be effective one (1) month after receipt by Chevrolet of such notice.

B. Termination for Cause

(1) If Chevrolet or Dealer requires a license for the performance of any obligation under or in connection with this Agreement in any state or jurisdiction where this Agreement is to be performed, then and in such event if either of the parties shall fail to secure or maintain a license or [fol. 1150] renewal thereof or if such license shall be suspended or revoked, irrespective of the cause or reason therefor, either party may immediately terminate this Agreement by giving to the other party written notice of such termination.

(2) If Dealer does not conduct its business in accordance with any requirement set forth in Sections 11 through 17, inclusive, or Section 19 of this Agreement, Chevrolet may terminate this Agreement by giving to Dealer written notice of termination to be effective three (3) months after receipt of such notice.

(3) In the event of the death or incapacity of Dealer or any person named in Paragraph Third hereof Chevrolet may terminate this Agreement. However, to facilitate an orderly termination of the business relationships between Chevrolet and Dealer and any contemplated liquidation of the business of the dealership, Chevrolet will, upon receipt of written request therefor made by the executor(s), administrator(s) or representative(s) of the deceased or incapacitated person within thirty (30) days from the date of such death or incapacity, defer the exercise of such right to terminate and will continue to operate with Dealer under the terms of this Agreement for a period, to be determined by Chevrolet, of not less than ninety (90) days and not more than one (1) year from the date of such death or incapacity and this Agreement will terminate at the expiration of such period. If such written request is not received by Chevrolet within such thirty (30) day period, Chevrolet may then terminate this Agreement.

(4) Chevrolet may terminate this Agreement immediately by delivering to Dealer or its representative written notice of such termination in the event of the happening of any of the following:

a. Removal, resignation, withdrawal or elimination from Dealer or dealership for any reason of any person named in Paragraph Third of this Agreement.

b. Any attempted transfer or assignment of this Agreement or any right or obligation hereunder.

c. Any misrepresentation to Chevrolet as to the direct and/or indirect ownership of Dealer, or any sale, transfer, relinquishment, voluntary or involuntary, by operation of law or otherwise, of any interest in the direct or indirect ownership or active management of Dealer without the prior written approval of Chevrolet.

d. Any dispute, disagreement, or controversy between

or among principals, partners, managers, officers or stockholders of Dealer which may adversely affect the ownership, operation, management, business or interest of dealer, dealership, or Chevrolet.

e. Insolvency of Dealer; filing of a voluntary petition in bankruptcy by Dealer; filing of a petition to have Dealer declared bankrupt, provided that it is not vacated within thirty (30) days from date of filing; appointment of a receiver or trustee for Dealer, provided such appointment is not vacated within thirty (30) days from the date of such appointment; execution by Dealer of an assignment for the benefit of creditors.

f. Conviction of Dealer or any principal officer, principal stockholder or manager of Dealer or any partner in Dealer or dealership of any crime which, in the opinion of Chevrolet, may adversely affect the good will or interests of Dealer, dealership or Chevrolet.

g. Failure of Dealer to maintain dealership operation as a going business, open during customary business hours, for seven consecutive business days, provided such failure is not due to causes beyond Dealer's control and is without Dealer's fault or negligence.

24. Transactions After Termination

A. Effect of Termination on Orders

In the event that a new Selling Agreement is not entered into by the parties upon expiration of this Agreement or in the event that this Agreement is terminated in accordance with any provision of Section 23, all orders of Dealer for motor vehicles, chassis, parts and accessories then outstanding shall be automatically cancelled. Termination of this Agreement shall not release Dealer, however, from the obligation to pay sum which may then be owing Chevrolet or from the obligation to pay for any motor vehicle, chassis, or equipment for same which is special, as defined in subsection C of Section 2 of this Agreement, and which may have been ordered by Dealer and not shipped prior to any termination of this agreement.

B. Termination Deliveries

In the event of termination of this Agreement under the provisions of subsection A of Section 23, or subsection B(3) of Section 23 without any deferment of termination as provided for therein, but not otherwise, Chevrolet will use its best efforts to furnish Dealer with Chevrolet motor vehicles and chassis to fill Dealer's bona fide retail orders on hand on the date of termination not to exceed, however, the total number of motor vehicles and chassis delivered to Dealer by Chevrolet during the three (3) months immediately preceding the effective date of termination, subject, to the following conditions and limitations:

(1) Within ten (10) days following termination, Dealer shall deliver to Chevrolet a written schedule of Dealer's bona fide retail orders on hand on the date of termination. Such schedule shall show the name and address of each retail customer and the details with respect to each motor vehicle ordered, including model, body type, color and accessories and shall specify each bona fide order against which Dealer desires Chevrolet to make delivery up to the total number of motor vehicles required to be delivered by Chevrolet as above described. Those orders for which delivery is thus specified by Dealer, when approved by Chevrolet, shall constitute Dealer's Schedule of Termination Deliveries. No changes or substitution may be made by Dealer in such Schedule of Termination Deliveries and Chevrolet will not be obligated to make deliveries of any motor vehicle to Dealer except as specified therein. In the event of Dealer's failure to deliver to Chevrolet the detailed Schedule above required, Dealer shall have no further rights.

(2) Dealer shall accept any motor vehicle required to be delivered by Chevrolet hereunder against Dealer's Schedule of Termination Deliveries immediately upon [fol. 1152] notification by Chevrolet of the availability to Dealer of such vehicle and in accordance with the terms and conditions of sale established by Chevrolet and in effect at the time of shipment. In the event of its failure to do so, Dealer shall have no further right to receive such vehicle or any other vehicle in lieu of it.

(3) Vehicles shall be delivered by Chevrolet hereunder in substantial accordance with the schedule and basis of delivery in effect with respect to other dealers in the same zone at the time of Dealer's termination.

(4) Dealer shall give Chevrolet notice immediately of cancellation for any reason of any retail order set forth in Dealer's Schedule of Termination Deliveries.

(5) In the event of the cancellation for any reason of any retail order set forth in Dealer's Schedule of Termination Deliveries before delivery by Chevrolet of a motor vehicle to apply against such order, Chevrolet shall be released from any obligation to make delivery of such vehicle.

(6) Dealer shall provide proper and adequate facilities in accordance with the terms and provisions of this Agreement to effect the delivery and handling of motor vehicles to be supplied upon termination under this subsection 24B.

C. Effect of Transactions After Termination

The acceptance of orders from Dealer or the continuance of sale of products to Dealer or any other act of Chevrolet after termination of this Agreement shall not be construed as a renewal of this Agreement for any further term nor as a waiver of the termination.

D. Rights of Surviving Persons Named in Paragraph Third

If this Agreement should be terminated by Chevrolet under the provisions of subsection 23 B(3) or 23 B(4)a and at the time of such termination another person is named in Paragraph Third on the basis of being qualified as an operator as distinguished from being qualified solely on the basis of a financial interest, and if such other person owns a financial interest of at least twenty-five per cent (25) or acquires such an interest within a reasonable time (considering then existing circumstances) after the date of such termination, then, subject to the provisions of any Widow's Financial Participation Addendum and any Interim Agreement Addendum signed by all parties named in Paragraph Third of this agreement, and unless the right to receive the offer hereinafter provided for has been waived in an Interim

Agreement Addendum by the party otherwise entitled hereunder to receive such offer, Chevrolet shall offer such other person a new Selling Agreement for the unexpired balance of the term of the Selling Agreement being terminated. If more than one other person be named in Paragraph Third at the time of such termination who can qualify under the conditions set forth above for such a new Selling Agreement, such persons must agree in writing as to which one will be offered the new Selling Agreement. If such persons do not agree as to the successor dealer within a reasonable time, Chevrolet shall not be obligated to offer a new or substitute Selling Agreement to any of such persons.

[fol. 1153] 25 Chevrolet's Right to Repurchase When Agreement is Terminated

In the event of termination of this Agreement; or in the event Chevrolet does not offer Dealer a new Selling Agreement upon the expiration of the term of this Agreement:

A. Chevrolet will purchase from Dealer and Dealer will sell to Chevrolet:

Cars (1) All new and unused Chevrolet motor vehicles and chassis of the current model on hand in Dealer's place of business or in Dealer's possession at Dealer's net cost, including destination charges paid to Chevrolet thereon.

Parts (2) All unused and undamaged Chevrolet repair parts listed in Chevrolet's current Dealer Parts and Accessories Price Schedule and purchased direct from Chevrolet, or purchased from an outgoing Chevrolet dealer as a part of Dealer's initial Chevrolet parts inventory, and on hand in Dealer's place of business or in Dealer's possession at the then current dealer net prices plus five per cent (5%) thereof for packing costs and plus reimbursement for transportation charges to destination specified by Chevrolet.

(3) All unused and undamaged Chevrolet accessories and service supplies purchased direct from Chevrolet during the twelve (12) month period immediately preceding the effective date of such ter-

Accessories mination and on hand in Dealer's place of business or in Dealer's possession at the then current dealer net prices plus five per cent (5%) thereof for packing costs and plus reimbursement for transportation charges to destination specified by Chevrolet.

Comm. Bodies (4) All new and unused commercial bodies and cabs of current models purchased direct from Chevrolet on hand in Dealer's place of business or in Dealer's possession at Dealer's net prices according to current Price Lists then in force plus transportation charges paid to Chevrolet thereon. In the event that any such commercial bodies or cabs have been mounted on chassis by Dealer, the price to be paid therefor shall be the net price to Dealer for the complete unit according to current list prices, even though Dealer purchased same separately at a higher price.

Signs (5) Any signs belonging to Dealer of a type recommended in writing by Chevrolet and bearing the word "Chevrolet", at a price mutually agreed upon by Chevrolet and Dealer. If Chevrolet and Dealer cannot agree on a price, they shall select a third party who shall set the price.

If Dealer desires to sell the same, Chevrolet will purchase all the special tools of a type recommended by Chevrolet and designed specifically for service of Chevrolet motor vehicles which were purchased by Dealer during the three (3) year period immediately preceding termination, while Dealer has been operating under a Chevrolet Selling Agreement [fol. 1154] ment, at a price mutually agreed upon by Chevrolet and Dealer. If Chevrolet and Dealer cannot agree on a price, they shall select a third party who shall set the price.

C. Dealer shall, within thirty (30) days following the date of termination, furnish Chevrolet with a list of the motor vehicles, chassis, parts, accessories, signs and tools aforesaid.

D. Upon demand and tender by Chevrolet of the purchase price determined as aforesaid, Dealer will deliver such goods to Chevrolet forthwith in accordance with Chevrolet's instructions.

E. Dealer shall execute and deliver to Chevrolet any instruments necessary to convey title to the aforesaid property. If such property is subject to lien or charge of any kind Dealer will procure the discharge and satisfaction thereof prior to the repurchase of such property by Chevrolet.

26. Loss on Premises

A. Premises Owned by Dealer

1. Terminations to Which Applicable

In the event of termination of this Agreement by Chevrolet under the provisions of subsection B (2) of Section 23 hereof, or in the event Chevrolet terminates this Agreement because of Chevrolet's failure to secure or maintain any required license or renewal thereof as provided in subsection B (1) of Section 23 hereof, or in the event Chevrolet terminates this Agreement because of the incapacity, for reasons of health, of Dealer or any person named in Paragraph Third of the Agreement, or in the event Chevrolet does not offer Dealer a new Selling Agreement upon the expiration of the term of this Agreement, but not otherwise, the provisions of this subsection 26A shall apply.

2. Premises to Which Applicable

The provisions of this subsection 26A shall be applicable only to premises which are owned by Dealer and carried on Dealer's books and records as land and building assets at the time that Dealer first has knowledge that a termination on one of the bases specified in subsection 26A1 above will become effective, and which are used by Dealer solely in the performance of Dealer's obligations under this Agreement, or solely in the performance of Dealer's obligations under this Agreement and one or more other dealer or distributor Agreements with Pontiac, Oldsmobile, Buick, Cadillac or GMC Truck & Coach Divisions of General Motors Corporation, if any, and such one or more other dealer or distributor Agreements are terminated simultaneously with the termination of this Agreement.

3. Chevrolet's Obligation

Upon the written request of Dealer made to Chevrolet within the time hereinafter specified, Chevrolet will assist

Dealer in the orderly disposition of the aforesaid premises, to the end that the equities of Dealer will be protected, and Dealer will not suffer a loss on said premises in relation to the market value thereof as of the time of termination. In effecting such disposition of Dealer's premises under the [fol. 1155] provisions of this subsection 26A3 the following conditions shall apply:

- (a) Dealer's application for assistance will include a written representation to Chevrolet of Dealer's intention to retire from the business of selling new or used motor vehicles in the general selling area wherein Dealer operated under this Selling Agreement.
- (b) The assistance to be provided by Chevrolet hereunder will be in the form of either locating a purchaser who will offer to purchase Dealer's premises at a fair and reasonable price as hereinafter defined, or locating a lessee for Dealer who will offer to lease Dealer's premises for a reasonable term at a fair and reasonable rental as hereinafter defined. Moreover, if Chevrolet does not locate such a purchaser or lessee within a reasonable time, Chevrolet will offer either to purchase or lease Dealer's premises at such fair and reasonable purchase price or rental.
- (c) In establishing fair and reasonable prices for Dealer's premises for the purpose of the sale or lease thereof, consideration will be given (i) to the circumstances under which the premises were originally provided by Dealer for the performance of this Selling Agreement or any prior Chevrolet Selling Agreement; (ii) to the adequacy of the premises for a Chevrolet Dealer Selling Agreement and the length of time such facilities have been used by Dealer in the performance of this Agreement or any other dealer or distributor Selling Agreement; and (iii) to the fair appraised value of the premises as determined by the average of the independent appraisals of three qualified real estate appraisers, of whom Dealer and Chevrolet shall each select one, and the two thus selected shall in turn select the third. Based on these con-

siderations Dealer and Chevrolet shall agree upon a fair and reasonable purchase price and rental value for Dealer's premises.

- (d) Upon receipt of a bona fide offer from a prospective purchaser or a prospective lessee, as the case may be, Dealer will sell Dealer's premises at the purchase price established as provided above or will lease Dealer's premises for a reasonable term at the rental established as provided above. The failure of Dealer to accept such a bona fide offer from a prospective purchaser or from a prospective lessee shall constitute a complete release of Chevrolet from any obligation to purchase or lease Dealer's premises as aforesaid and any other obligations under this subsection 26A.
- (e) Any application for assistance from Chevrolet under the provisions of this subsection 26A must be made to Chevrolet in writing within thirty (30) days from the effective date of termination, and if Chevrolet does not receive a written application [fol. 1156] for such assistance within that time, Chevrolet shall be released from any and all obligations hereunder.

B. Premises Leased by Dealer

1. Terminations to Which Applicable

In the event of termination of this Agreement by Chevrolet under the provisions of subsection B(2) or B(3) of Section 23 hereof, or in the event Chevrolet terminates this Agreement because of Chevrolet's failure to secure or maintain any required license or renewal thereof as provided in subsection B(1) of Section 23 hereof, or in the event Chevrolet does not offer Dealer a new Selling Agreement upon the expiration of the term of this Agreement, but not otherwise, the provisions of this subsection 26B shall apply.

2. Premises to Which Applicable

The provisions of this subsection 26B shall be applicable only to premises leased by Dealer and used by Dealer solely in the performance of Dealer's obligations under this Agreement, or solely in the performance of Dealer's obligations under this Agreement and one or more other dealer

or distributor Agreements with Pontiac, Oldsmobile, Buick, Cadillac or GMC Truck & Coach Divisions of General Motors Corporation, if any, and such one or more other dealer or distributor Agreements are terminated simultaneously with the termination of this Agreement; provided, moreover, that the premises involved shall have been leased by Dealer, and the lease or leases shall have been in effect, prior to the time Dealer had knowledge that a termination on one of the bases specified in subsection 26B 1 above would become effective, and the lease or leases of the premises shall continue subsequent to the effective date of termination of this Agreement.

3. Chevrolet's Obligation

Upon the written request of Dealer made to Chevrolet within the time hereinafter specified, Chevrolet will endeavor to assist Dealer in the liquidation of Dealer's obligation under any existing lease or leases of the aforesaid premises, to the end that the equities of Dealer will be protected and the normal losses incident to the liquidation of a business will be minimized. In providing such assistance to Dealer, the following conditions shall apply:

- (a) Dealer's application for assistance will include a written representation to Chevrolet of Dealer's intention to retire from the business of selling new or used motor vehicles in the general selling area wherein Dealer operated under this Selling Agreement.
- (b) The assistance to be provided by Chevrolet hereunder will be in the form of (i) locating a tenant or tenants, satisfactory to the Lessor or Lessors, who will offer to sublet the premises for the balance of the term of the lease or leases or who will take an assignment and assume the obligations of such lease or leases; or (ii) effecting arrangements satisfactory to Chevrolet and the Lessor [fol. 1157] or Lessors whereby the lease or leases with Dealer will be cancelled; or (iii) the subletting by Chevrolet of the premises from Dealer, provided that the unexpired term of the lease or leases shall not be in excess of twelve (12) months from the effective date of termination of this Agreement.

In the event Chevrolet does not locate a sublessee or assignee, or arrange for the cancellation of Dealer's lease or leases, or sublet the premises, as provided above, Chevrolet will pay as reimbursement to Dealer for the monthly rental specified in Dealer's lease and paid by Dealer for a period of twelve (12) months after the effective date of termination, or for the balance of the term of the lease, whichever shall be the lesser, (1) a fair monthly rental, as of the date of termination, as determined by three real estate appraisers, one selected by Chevrolet, one selected by Dealer and the third selected by the other two appraisers, or, at the option of Chevrolet, (2) the monthly rental specified in the lease.

- (c) If, for a period of more than one (1) month immediately following the effective date of termination, the premises involved or any part thereof are occupied by Dealer or by anyone else for business or any other purpose, Chevrolet will be discharged from its obligation hereunder to reimburse Dealer for rental paid as aforesaid with respect to any month for any part of which the premises or any part thereof are so occupied; provided, however, that where the dealership premises consist of more than one parcel of property or more than one building, each of which is separately usable, distinct and apart from the whole premises or any other part thereof, with appropriate ingress and egress, each such parcel or building may be considered separately for the purpose of this subsection 26B3(c).
- (d) If requested by Chevrolet, Dealer shall use its best efforts to effect a settlement of any lease or leases with the Lessor or Lessors to the same extent as if Chevrolet were not obligated, as provided herein, to assist Dealer in the liquidation of Dealer's obligations under any existing lease or leases, but any settlement shall be approved by Chevrolet before being finally accepted by Dealer. Any reduction in rental as a result of any such settlement shall proportionately reduce Chevrolet's obligation hereunder.

- (e) If the premises involved are also used by Dealer in the performance of Dealer's obligations under one or more other dealer or distributor Agreements with Pontiac, Oldsmobile, Buick, Cadillac or GMC Truck & Coach Divisions of General Motors Corporation, which are terminated simultaneously with the termination of this Agreement, such other Division or Divisions of General Motors Corporation will arrange with Chevrolet as [fol. 1158] to which Division will assume the obligations to Dealer under this subsection 26B, and Dealer will be so notified in writing.
- (f) Upon receipt of a bona fide offer from a prospective tenant or tenants satisfactory to the Lessor or Lessors, Dealer will sublet Dealer's premises or assign the lease or leases thereon. In the event Chevrolet arranges a cancellation of the lease or leases on Dealer's premises without cost to Dealer, Dealer will execute a cancellation agreement with the Lessor or Lessors. The failure of Dealer to sublet the premises, to assign the lease or leases, to execute a cancellation agreement with the Lessor or Lessors or to use its best efforts if requested, to effect a settlement, all as provided above, shall constitute a complete release of Chevrolet from any further obligations under this subsection 26B.
- (g) Any application for assistance from Chevrolet under the provisions of this subsection 26B must be made to Chevrolet in writing within thirty (30) days from the effective date of termination, and if Chevrolet does not receive a written application for such assistance within that time, Chevrolet shall be released from any and all obligations hereunder.
- (h) In the event Dealer's obligations under existing leases are not otherwise liquidated and Dealer is entitled to reimbursement from Chevrolet under the provisions hereof for any rentals paid by Dealer, Dealer shall file its claim for such reimbursement with Chevrolet within two (2) months after the expiration of the period covered by such

claim. Chevrolet shall have access to and may audit Dealer's books and records insofar as may be necessary to verify claims filed under this subsection 26B.

- (i) The term "Dealer" as used herein shall be interpreted to include Dealer's executor(s), administrator(s) or representative(s) in the event the Selling Agreement is terminated in accordance with the provisions of subsection B(3) of Section 23 hereof.

C. Negotiations

The provisions of subsections 26A and 26B dealing as they do with situations as they will arise in the future must of necessity be stated in broad terms, and to accomplish the fair and equitable results intended all negotiations and transactions contemplated by subsections 26A and 26B will be carried on in the utmost of good faith on the respective parts of both Dealer and Chevrolet.

D. Termination Due to Death of Dealer

If this Agreement is terminated due to the death of Dealer or any person named in Paragraph Third hereof, Chevrolet, if requested to do so, and without assuming any legal obligations or liability with respect thereto, will render assistance to the representatives of the estate of Dealer in locating a purchaser or lessee for any premises owned by Dealer and used in the performance of Dealer's obligations under this Agreement at the time of said termination.

[fol. 1159]

GENERAL PROVISIONS

27. Supplemental Provisions

In view of the extended term of this Agreement and the desire of Dealer and Chevrolet to keep the provisions hereof current with the distribution practices in the automobile industry, which practices may vary from time to time as the result of the enactment of federal or state laws or new or different interpretations by the courts or governmental agencies of existing laws, it is agreed that this Agreement may be supplemented at any time to include provisions relating to the general subject matters of "bootlegging",

"territory security" and "service responsibility", as those terms have been used or interpreted by Congressional Committees or Subcommittees in hearings or in proposed legislation, provided that such supplemental provisions are incorporated in the Selling Agreements of all other Chevrolet dealers, in jurisdictions in which such provisions are not prohibited by state or local laws.

28. Dealer Not Made Agent or Legal Representative of Chevrolet

This Agreement of which these Terms and Conditions are a part does not constitute Dealer the agent or legal representative of Chevrolet for any purpose whatsoever. Dealer is not granted any express or implied right or authority to assume or to create any obligation or responsibility in behalf of or in the name of Chevrolet or to bind Chevrolet in any manner or thing whatsoever.

29. Responsibility for Dealer's Commitments

Except insofar as it is specifically provided otherwise in this Agreement, Dealer shall be solely responsible for any and all obligations or responsibilities incurred or assumed by Dealer in the performance of this Agreement.

30. Local Taxes

Dealer hereby certifies that all motor vehicles and chassis, parts, accessories and items similar thereto purchased from Chevrolet are for resale in the course of Dealer's business. Dealer further certifies that Dealer has obtained any license require to collect sales or use taxes incurred in any such resale transactions, and that the number, if any, of such license has been or will be furnished to Chevrolet. Dealer agrees, as to any such motor vehicles and chassis, parts, accessories or items similar thereto which are withdrawn from stock and put to a taxable use in lieu of or prior to resale, and as to any tangible property which Dealer purchases for use and not for resale, to pay directly to the appropriate taxing authority any sales, use or similar taxes incurred by such use or purchase, to file any tax returns required in connection therewith, and to hold Chevrolet harmless from any claims or demands made by such taxing authority with respect thereto.

31. Notices

Any notice required to be given by either party to the other under or in connection with this Agreement shall be in writing and delivered personally or by mail. Notices to Dealer shall be directed to Dealer, or its representative at Dealer's place of business; notices to Chevrolet shall be directed to the Zone Manager of the area in which Dealer is located.

[fol. 1160] 32. No Implied Waivers

The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision hereof constitute a waiver of any succeeding breach of the same or any other such provision nor constitute a waiver of the provision itself.

33. Applicable Law

This Agreement is to be governed by and construed according to the laws of the State of Michigan. If, however, any provision in anywise contravenes the laws of any state or jurisdiction where this Agreement is to be performed, such provision shall be deemed not to be a part of this Agreement therein.

34. Sole Agreement of Parties

There are no other agreements or understandings, either oral or in writing, between the parties affecting this Agreement or relating to the sale or servicing of Chevrolet motor vehicles, chassis, parts or accessories.

This Agreement cancels and supersedes all previous agreements between the parties.

No change in, addition to, or erasure of any printed portion of this Agreement (except the filling in of blank lines) shall be valid or binding upon Chevrolet unless the same is approved in writing by the General Sales Manager of Chevrolet.

No agreement between the parties which is at variance with any of the provisions of this Agreement or which imposes definite obligations upon either party not specifically

imposed by this Agreement or which is intended to be effective or performed following the expiration or other termination of this Agreement and imposes obligations or extends the time for performance thereof other than as provided in this Agreement shall be binding upon either party unless it bears the facsimile signature of the General Sales Manager and, except for Dealer Price Lists, is countersigned by an Assistant General Sales Manager, a Regional Manager, an Assistant Regional Manager or Zone Manager of Chevrolet, and is executed or accepted by Dealer.

[fol. 1161] EXHIBIT 3.2 TO STIPULATION OF FACTS
NUMBER ONE

GENERAL MOTORS CORPORATION
Chevrolet Motor Division

Dealer Selling Agreement

[fol. 116

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[fol. 1163] Attach Signatural Attachment to This Page.

[fol. 1164] Form No. GSD-T-202-60

U.S.A. 8-60

CHEVROLET MOTOR DIVISION
General Motors Corporation

Terms and Conditions

Dealer

The following Terms and Conditions have by reference been incorporated in and made a part of the Selling Agreement which shall apply to and govern all transactions, dealings and relations between the parties:

DEFINITIONS AND SELLING PRIVILEGE

1. Definitions

As used in this Agreement, the following terms shall have the following meanings:

"Chevrolet motor vehicles" and "motor vehicles" shall mean new passenger cars, trucks and chassis manufactured and distributed by Chevrolet Motor Division of General Motors Corporation;

"Chevrolet parts and accessories" shall mean parts and accessories manufactured by or for Chevrolet, designed for use on Chevrolet motor vehicles and distributed by Chevrolet or any Division or subsidiary of General Motors Corporation; and

"Area of sales responsibility" and "area of service responsibility" shall mean the area described in Paragraph First of this Agreement.

2. Dealer's Selling Privilege

Dealer is granted the non-exclusive privilege of selling new Chevrolet motor vehicles, parts and accessories, and, subject to the provisions of Section 16 hereof, Dealer is granted the non-exclusive privilege of displaying the various trademarks and service marks, including "Chevrolet", and the several other word and design marks which Chevrolet uses, in connection with the sale or offering for sale and servicing of Chevrolet motor vehicles, parts and accessories.

[fol.1165] TERMS AND CONDITIONS OF SALE

3. Terms and Conditions of Sale—Motor Vehicles

A. Three Month Estimates of Requirements

To enable Chevrolet to establish production schedules, and to place orders with its suppliers on the basis of the lead time normally required in the automobile mass production industry, and to have such schedules reflect the best combined estimate of Chevrolet and its dealers of Chevrolet motor vehicle requirements for future retail deliveries, Dealer will, unless otherwise advised by Chevrolet, furnish Chevrolet every month, on forms provided by Chevrolet, an estimate of Dealer's requirements of new Chevrolet motor vehicles for the next three (3) calendar months, each month's estimate to be shown separately.

B. Sales Reports

To assist Chevrolet in the evaluation of current market trends and in the adjustment of established future production schedules, as well as current production schedules to the extent possible, Dealer will furnish Chevrolet every ten (10) days with a sales report on forms furnished by Chevrolet. Such report shall show retail sales of both new and used motor vehicles made during said period, new and used motor vehicle stocks, and unfilled orders on hand at the end of said period. Dealer shall also furnish Chevrolet with such daily or interim sales reports, on forms furnished by Chevrolet, as Chevrolet may reasonably require in evaluating current dealer inventories and current distribution schedules.

C. Orders

Dealer shall submit orders for Chevrolet motor vehicles to Chevrolet for acceptance at mutually satisfactory periods. Such orders shall be submitted upon order forms supplied by Chevrolet. Accepted orders for any standard motor vehicles not shipped during the month for which delivery was scheduled will remain in effect unless cancelled in whole or in part by either party upon written notice to the other. However, orders for "special" motor vehicles accepted by Chevrolet for the convenience of Dealer may be cancelled only by Chevrolet.

Any motor vehicle which differs from Chevrolet's standard specifications and/or incorporates special equipment, and which because of such difference in specifications or increase in price has only a limited use or marketability, shall be considered "special".

D. Motor Vehicle Shipments

(1) Mode of Shipment

To integrate the shipment of assembled motor vehicles from plant sites with continuing plant production, to minimize required shipping facilities and storage areas, and to facilitate and expedite loading and transportation of vehicles by carriers, Chevrolet will select the distribution point and the mode of transportation, but Chevrolet will endeavor, whenever practicable, to follow Dealer's requests with respect to routing and mode of transportation.

(2) Delivery Charges

Chevrolet will prepay all charges, including transportation charges, for the delivery of motor vehicles made to Dealer hereunder.

In addition to the prices and charges otherwise provided for herein, Dealer will pay Chevrolet the destination charges established by Chevrolet and in effect at the time of shipment for motor vehicles delivered to Dealer hereunder. Chevrolet has the right at any time to change destination charges, to issue new applicable bulletins, and, if necessary, new applicable Price Lists.

(3) Liability for Demurrage

Dealer shall be responsible for and shall pay any and all charges for demurrage, storage, or other charges accruing after arrival of such shipment at destination.

(4) Diversions

If diversions are made upon Dealer's request or as a result of Dealer's failure or refusal to accept motor vehicles that may be shipped Dealer on Dealer's orders, unless such failure or refusal is excusable under the provisions of subsection B of Section 5 hereof, Dealer will assume responsibility for and pay the additional charges and expenses incident to such diversions.

(5) Claims

All claims for loss of or damage to motor vehicles shipped hereunder while in the possession of the transportation agency shall be submitted to Chevrolet by Dealer within twenty (20) days after date of delivery of shipment to Dealer.

E. Payment by Dealer

Dealer shall pay Chevrolet for each shipment of Chevrolet motor vehicles, Dealer's prices established by Chevrolet and in effect at the time of such shipment, together with a factory handling charge determined by Chevrolet, which shall include reimbursement to Chevrolet for any tax it has paid, incurred or agreed to pay on any such motor vehicles, on the following terms: cash, draft, or sight draft with bill of lading attached payable with collection charges. Dealer shall pay interest on all drafts in the amounts and from the dates specified therein.

F. Right to Change Prices

Chevrolet has the right at any time to change prices, discounts, terms and provisions affecting any Chevrolet motor vehicles and to issue new applicable Price Lists or bulletins.

If Chevrolet changes the prices, discounts, terms or provisions applicable to any motor vehicles, such changed prices, discounts, terms or provisions shall apply to any such motor vehicles ordered by Dealer and not shipped by Chevrolet at the time such change is made effective by Chevrolet.

Except with respect to the pricing of new yearly models or body types at the introduction thereof, Chevrolet shall give written notice to Dealer of any change increasing the price to be paid by Dealer before shipping any current motor vehicles to which such change is applicable. Upon receipt of such notice, Dealer may cancel or modify orders for motor vehicles to which any such change applies, provided written notice of cancellation is delivered to Chevrolet within ten (10) days after receipt by Dealer of Chevrolet's notice. All undelivered orders not cancelled as provided herein shall remain in effect for delivery in accordance with said change.

G. Current Model Price Reduction Allowances

If Chevrolet reduces the list price on any of its current [fol. 1167] models or body types of motor vehicles, Chevrolet will refund or credit as an allowance to Dealer for each new and unused Chevrolet motor vehicle (not including demonstrators) of that model or body type, which on the effective date of such reduction is in Dealer's stock unsold, an amount equal to the difference between Chevrolet's list price, less the applicable dealer base discount thereon, for such vehicle prior to the effective date of such reduction and Chevrolet's list price, less the applicable dealer base discount thereon, for such motor vehicle after the effective date of such reduction.

H. Model Change Allowances

In the event that Chevrolet, at the time of an annual model change, shall discontinue a current model and body type or motor vehicle (hereinafter called "discontinued model motor vehicle") and substitute in place thereof a new model and body type identified by a new model year designation, Chevrolet will make an allowance to Dealer on each new and unused discontinued model motor vehicle (not including demonstrators), which is in Dealer's stock unsold on the day (hereinafter called the "Announcement Day") on which the new model and body type is officially announced by Chevrolet to the general public (local previewing announcements excepted) or on a day prior thereto designated by Chevrolet.

If Chevrolet elects to designate a day prior to Announcement Day, Chevrolet will make the same allowance with respect to each such discontinued model motor vehicle which is purchased by Dealer from Chevrolet between said designated day and the Announcement Day.

The amount of such allowance and the time of payment thereof shall be determined by Chevrolet. Such allowance, however, shall in no case be less than five per cent (5%) of the list price of each such discontinued model motor vehicle.

I. Model Change at Reduced List Price Allowances

If, at the time of an annual model change, the list price of the new model or body type is lower than the list price

of the corresponding discontinued model or body type, Chevrolet will refund or credit as an allowance to Dealer, for each new and unused Chevrolet motor vehicle (not including demonstrators) of the discontinued model or body type, which is in Dealer's stock unsold on the Announcement Day, an amount equal to the difference between Chevrolet's list price, less the applicable dealer base discount thereon, for such motor vehicle and Chevrolet's list price, less the applicable dealer base discount thereon, for the corresponding motor vehicle of the new model or body type.

Chevrolet shall not be required to make any refund or credit to Dealer under this subsection I if the new models and body types are so changed in size, design and price as, for all practical purposes, to make such new models and body types a new and different series or line of motor vehicles. In the latter event, Chevrolet will make such refund or allowance as shall, in its opinion, be equitable under the circumstances.

Dealer will be entitled to receive the allowances provided under this subsection I in addition to the model change allowance to which Dealer is entitled under subsection H hereof.

[fol. 1168] *J. Applications for Model Change and Price Reduction Allowances*

Dealer must submit written application on forms furnished by Chevrolet (1) for the price reduction allowances provided for in subsections G and I of this Section 3 within thirty (30) days from the date the price reduction becomes effective; and (2) for the allowances provided for in subsection H of this Section 3 within thirty (30) days from the Announcement Day of new models or the date prior thereto designated by Chevrolet on which Dealer's stock of discontinued models shall be determined, as the case may be. Each application for allowance must be properly documented with supporting data.

Chevrolet reserves the right to pay any such allowance applicable to a motor vehicle in which a bank or other financing institution may have a security interest directly to such bank or other financing institution.

K. Warranty on Motor Vehicles

There are no warranties, expressed or implied, made by Chevrolet to Dealer on the Chevrolet motor vehicles or chassis furnished hereunder except as follows:

Chevrolet warrants each new motor vehicle and chassis, including all equipment or accessories thereon (except tires), manufactured by it to be free from defects in material and workmanship under normal use and service, Chevrolet's obligation under this warranty being limited to making good any part or parts thereof which shall, within ninety (90) days after delivery of such vehicle or chassis to the original purchaser or before such vehicle or chassis has been driven 4,000 miles, whichever event shall first occur, be returned to Chevrolet with transportation charges prepaid and which Chevrolet's examination shall disclose to its satisfaction to have been thus defective; this warranty being expressly in lieu of all other warranties, expressed or implied, and all other obligations or liabilities on Chevrolet's part, and Chevrolet neither assumes nor authorizes any other person to assume for it any other liability in connection with such motor vehicles or chassis.

This warranty shall not apply to any motor vehicle or chassis which shall have been repaired or altered outside of an authorized Chevrolet dealership in any way so as in the judgment of Chevrolet to affect adversely its performance and reliability, nor which has been subject to misuse, negligence or accident.

4. Terms and Conditions of Sale—Parts and Accessories

A. Sales to Dealer

Chevrolet will sell to Dealer either directly or through a designated parts warehouse, or will make available to Dealer indirectly through other outlets, new Chevrolet parts and accessories.

B. Payment by Dealer

Sale of parts and accessories by Chevrolet to Dealer will be made according to the prices, terms and provisions established by Chevrolet and in effect at the time of shipment.

Payment for parts and accessories is due in accordance with statements rendered by Chevrolet. If Chevrolet for reasons of credit deems it necessary to place shipments on a C.O.D. basis, collection charges, if any, are to be paid by Dealer.

[fol. 1169] *C. Right to Change Prices*

Chevrolet has the right at any time to change prices, discounts, terms and provisions affecting any Chevrolet parts and accessories and to issue new applicable Price Lists or schedules.

If Chevrolet changes the prices, discounts, terms or provisions applicable to any parts or accessories, such changed prices, discounts, terms or provisions shall apply to any such parts or accessories ordered by Dealer and not shipped by Chevrolet at the time such change is made effective by Chevrolet.

D. Warranty on Parts and Accessories

There are no warranties, expressed or implied, made by Chevrolet to Dealer on new Chevrolet parts or accessories furnished hereunder except as follows:

Chevrolet warrants each new Chevrolet part or accessory sold to Dealer hereunder separately, and not as a component part of a motor vehicle or chassis, to be free from defects in material and workmanship under normal use and service, Chevrolet's obligation under this warranty being limited to making good any such part or accessory which shall, within ninety (90) days after sale thereof by Dealer "over-the-counter", or within ninety (90) days after installation thereof by Dealer on a motor vehicle or chassis or before such part or accessory so installed has been used on such motor vehicle or chassis for 4,000 miles after such installation, whichever event shall first occur, be returned to Chevrolet with transportation charges prepaid and which Chevrolet's examination shall disclose to its satisfaction to have been thus defective; this warranty being expressly in lieu of all other warranties, expressed or implied, and all other obligations or liabilities on Chevrolet's part, and Chevrolet neither assumes nor authorizes any other person to assume

for it any other liability in connection with such parts or accessories.

This warranty shall not apply to any part or accessory which is used for a purpose for which it was not designed or which shall have been repaired or altered in any way so as in the judgment of Chevrolet to affect adversely its performance and reliability, nor which has been subject to misuse, negligence or accident.

E. Return of Defective Parts and Accessories

After notifying Chevrolet and receiving specific shipping instructions therefor from Chevrolet, Dealer may return for credit defective parts and accessories purchased directly from Chevrolet or acquired as the result of performing warranty adjustments, at the then current dealer net prices of such parts or accessories plus ten per cent (10%). Such parts and accessories shall be packaged or crated and shipped, transportation charges prepaid. Dealer will be reimbursed for transportation charges prepaid by Dealer on authorized shipments of defective parts and accessories.

F. Return of Inactive Parts

In the event Dealer develops an inactive stock of Chevrolet parts, or for any other reason desires to liquidate a portion of its parts stock, Dealer may submit to Chevrolet [fol. 1170] a list of those parts purchased directly from Chevrolet, in good condition and unused, which Dealer desires to return for credit. Chevrolet shall promptly review said list and notify Dealer as to which parts will be accepted. Thereupon Dealer may package or crate and ship such parts, transportation charges prepaid, in accordance with Chevrolet's instructions. Chevrolet will allow Dealer credit for such parts at the dealer net prices therefor in effect at the time such parts are received by Chevrolet, less applicable stock order allowances thereon, if any, whether or not any such stock order allowances were made to Dealer when the parts were purchased by Dealer.

G. Right to Return Parts within Ninety Days—Accessories within Thirty Days

Dealer may return any new parts purchased directly from Chevrolet, which are in good condition and unused, for

credit within ninety (90) days after receipt thereof by Dealer. Dealer may also return any new accessories, anti-freeze and other service supplies purchased directly from Chevrolet, which are in good condition and unused, for credit within thirty (30) days after receipt thereof by Dealer; provided, however, that if Dealer shall have purchased accessories directly from Chevrolet for use in connection with specific motor vehicles for which orders have been placed with and accepted by Chevrolet, and such motor vehicles are not shipped to Dealer prior to the introduction of new motor vehicle models, thereby canceling such orders, then to the extent such accessories are not usable on the new models and are in excess of Dealer's requirements they may also be returned to Chevrolet for credit. Such parts, accessories and service supplies shall be packaged or crated and shipped to the destination specified by Chevrolet, transportation charges prepaid. Credit on new parts and accessories will be at Dealer's net cost. Dealer shall be entitled to return accessories whether same were purchased separately or shipped on or with a new Chevrolet motor vehicle.

Dealer, however, will not be entitled to return materials which are acquired or fabricated specially by Chevrolet upon Dealer's order for a particular service order or motor vehicle, or unlisted parts or assemblies, or any cut or fabricated upholstery or trim items.

5. Terms and Conditions of Sale—Motor Vehicles, Parts and Accessories

A. Change of Design or Specifications

Chevrolet may change the design or specifications of any Chevrolet motor vehicles, parts or accessories at any time without notice and without obligation to make the same or any similar change upon any Chevrolet motor vehicles, parts or accessories previously purchased by or shipped to Dealer or being manufactured or sold in accordance with Dealer's orders. Such changes shall not be considered Model Changes as contemplated by subsection H of Section 3 hereof.

B. Failure to Fill Orders

Chevrolet shall not be liable for failure or delay in filling

orders of Dealer, which have been accepted by Chevrolet, where such failure or delay is due, in whole or in part, to any labor, material, transportation, or utility shortage or curtailment, or to any labor trouble in the plants of Chevrolet or its suppliers. Chevrolet shall not be liable for failure or delay in filling orders of Dealer, which have been [fol. 1171] accepted by Chevrolet, where such failure or delay is due to any cause beyond the control or without the fault or negligence of Chevrolet. Dealer shall not be liable for any failure to accept shipments of products ordered from Chevrolet, where such failure is due to any labor trouble in Dealer's establishment. Dealer shall not be liable for any failure to accept shipments of products ordered from Chevrolet, where such failure is due to any cause beyond the control or without the fault or negligence of Dealer.

OPERATING REQUIREMENTS

6. Dealer's Place of Business

In order to provide product representation commensurate with the good will attached to the name "Chevrolet" and to facilitate the proper sale and servicing of Chevrolet motor vehicles, parts and accessories, Dealer will maintain a place of business satisfactory as to appearance and location, and adequate in size and layout for new motor vehicle sales operations, service operations, parts and accessories sales and used car and/or truck sales, and will maintain the business hours customary in the trade.

Once Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business including any used car and/or truck lot or location without the prior written approval of Chevrolet.

For the purpose of identifying the premises for which Chevrolet may have an obligation under Section 22 hereof, Dealer shall submit to Chevrolet, concurrently with the execution of this Agreement, a complete description of the location and the land and buildings to be used by Dealer in the performance of this Agreement. Such descriptions shall be submitted on a "Statement of Dealership Premises" form to be furnished by Chevrolet. In the

event of any approved change in Dealer's location or land and buildings during the term of this Agreement, a new "Statement of Dealership Premises" shall be prepared and signed by Dealer and approved by Chevrolet.

7. Capital Requirements

Since the amount and structure of owned net working capital and net worth required to handle properly the business to be conducted by Dealer hereunder depends upon many factors, including size of market, sales and service facilities required and anticipated volume, and since Chevrolet sets minimum owned net working capital standards for its dealers based on Chevrolet's past experience, Dealer, in accordance with a separate Minimum Capital Standard Agreement, to be executed by Dealer and Chevrolet at the time of execution of this Agreement, shall establish Dealer's owned net working capital at the time and in the amount specified therein and shall maintain such amount as its minimum owned net working capital. If, due to changed conditions, it should become necessary to materially increase or decrease the amount of minimum owned net working capital required to handle Dealer's business properly, Dealer and Chevrolet agree to establish [fol. 1172] a revised amount of minimum owned net working capital to meet such changed conditions. If the amount thereof is increased, Dealer will meet the new minimum owned net working capital requirements within the time agreed upon by Chevrolet and Dealer.

8. Accounts and Records

A. Uniform Accounting System

It is to the mutual interests of Chevrolet and Dealer that uniform accounting systems and practices be maintained by dealers in order that Chevrolet may develop standards of operating performance which will enable dealers to obtain the most satisfactory results from the sales potentials assigned to them, and which will enable Chevrolet to prepare composite dealer profit statements periodically to guide Chevrolet in formulating policies beneficial to the Dealers' interests.

Accordingly, Dealer will use and keep up to date a satis-

factory uniform accounting system of a type designated by Chevrolet and will furnish to Chevrolet by the tenth of each month a complete and accurate financial and operating statement, with supporting data, covering the preceding month's operations and showing the true and actual condition of Dealer's business. Dealer will maintain said system in accordance with the Accounting Manual prescribed by Chevrolet.

B. Records Supporting Claims

It is also to the mutual interests of Chevrolet and Dealer that Chevrolet's policies and procedures relating to applications for reimbursement for warranty and policy work, to parts wholesale compensation claims and to applications for discounts, allowances, refunds or credits under other Chevrolet programs be uniformly applied to all Chevrolet dealers.

Therefore, Dealer will prepare, keep up to date and retain, in accordance with the policies and procedures formulated by Chevrolet, records in support of applications for reimbursement for warranty and policy work performed by Dealer, claims for parts wholesale compensation and applications for discounts, allowances, refunds or credits under other Chevrolet programs in which Dealer participates.

C. Examination of Accounts and Records

In order to assure the maintenance of an accounting system of a type designated by Chevrolet, Dealer will permit an examination of its accounts and records to be made by a person or persons, either in the employ of Chevrolet or acceptable to Chevrolet. A copy of the report of such examination will be furnished to both Chevrolet and Dealer. Dealer will also permit Chevrolet to make an examination and audit of Dealer's records supporting applications for reimbursement for warranty and policy work performed by Dealer, claims for parts wholesale compensation and applications for discounts, allowances, refunds or credits under other Chevrolet programs in which Dealer participates.

9. Sale of Motor Vehicles

Dealer shall provide satisfactory sales performance and render satisfactory service to owners in the area described

in Paragraph First. Evaluation of Dealer's sales performance shall be based on the relationship of Dealer's sales of new Chevrolet motor vehicles in such area to the sales of other makes of motor vehicles directly competitive therewith both in price and in product in such area, as [fol. 1173] compared to a similar relationship of the sales of new Chevrolet motor vehicles to other makes of motor vehicles directly competitive therewith specifically in the Chevrolet Zone area wherein Dealer is located, but not necessarily to the exclusion of the Chevrolet Regional area or the National area. Such evaluation shall be based on records generally accepted for such purposes by the automobile industry and shall also take into account other pertinent factors, such as the trend of Dealer's sales performance over a reasonable period of time, the availability and the delivery of Chevrolet motor vehicles to Dealer, and local conditions directly affecting such sales performance.

Where one or more other Chevrolet dealers are located within the area described in Paragraph First, the evaluation of the combined sales performance of all Chevrolet dealers in such area shall be made as provided above, and Dealer's sales performance shall be measured by Dealer's contribution to the combined sales performance of all Chevrolet dealers in such area. In evaluating Dealer's contribution to such combined sales performance, consideration shall be given to such factors as Dealer's sales performance over a reasonable period of time, the availability and delivery of Chevrolet motor vehicles to Dealer, the geographic location of Dealer's place of business and the general shopping habits of the buying public within such area, Dealer's sales participation experience within such area, and Dealer's standard of sales participation within such area previously determined and accepted by Dealer and Chevrolet.

10. Sales and Mechanical Staff

Dealer shall maintain a staff of salesmen and a selling and customer relations organization adequate to take care of the sales potential, and will employ a sufficient number of competent mechanics to meet adequately the service requirements of the owners of Chevrolet motor vehicles, in Dealer's area of sales and service responsibility.

11. Sales and Service Records

In furtherance of the purposes, objectives, and obligations provided for in this Agreement, Dealer will keep complete and up-to-date records regarding the sale and servicing of new Chevrolet motor vehicles and will permit Chevrolet at all reasonable times in business hours to inspect such records.

12. Owner Complaints

Dealer will receive, investigate and handle all complaints received from owners of Chevrolet motor vehicles with a view to securing and maintaining the good will of the public toward Dealer, Chevrolet and Chevrolet motor vehicles. All complaints received by Dealer which cannot be readily remedied shall be promptly reported in detail to Chevrolet.

13. Treatment of Purchasers

A. Informing Purchasers as to Details of Their Purchases

Dealer will inform retail purchasers of Dealer's delivered prices and will give them itemized invoices covering the details of their purchases.

[fol. 1174] B. Representations as to Contents of Charges

Dealer will not make any misleading statements or misrepresentations as to the items making up the total selling price of a new Chevrolet motor vehicle, or as to the prices related to such items, nor make any statements intended to lead any purchaser to believe that a greater portion of the selling price of a new Chevrolet motor vehicle represents destination charges and factory handling charges than the amounts of such items actually charged to and paid for by Dealer.

C. Right of Retail Purchaser to Buy a New Motor Vehicle Without Purchasing Optional Equipment or Accessories

Dealer recognizes that a retail customer has the right to purchase new Chevrolet motor vehicles without being required to purchase any optional equipment or accessories and Dealer, therefore, will either remove any optional equipment or accessories which the purchaser does not want, or will immediately order a new Chevrolet motor vehicle without such optional equipment or accessories.

D. Advertising

Both Chevrolet and Dealer recognize the need of maintaining the highest standards of ethical advertising at all times in order to secure and maintain public confidence in Dealer, Chevrolet and Chevrolet products.

Accordingly, Chevrolet will not publish, cause to be published, encourage or approve any advertising relating to Chevrolet motor vehicles, parts or accessories which is likely to mislead or deceive the public, and Dealer will not publish, cause to be published or approve any advertising relating to Dealer's sale of Chevrolet motor vehicles, parts or accessories which is likely to mislead or deceive the public.

14. Care of Owner

A. Stock of Parts

Dealer will carry in stock at all times during the term of this Agreement an adequate inventory of parts and accessories to render proper service to owners of Chevrolet motor vehicles in Dealer's area of sales and service responsibility.

B. Representation as to Parts

Dealer will not sell, offer for sale, or use in the repair of Chevrolet motor vehicles as new Chevrolet parts, or any part or parts which are not in fact new Chevrolet parts as defined in Section 1 of this Agreement.

C. Conditioning of New Motor Vehicles

Dealer will condition each new motor vehicle before delivery, in accordance with Chevrolet's pre-delivery inspection schedule.

D. Warranty Adjustments

In fulfillment of its warranty obligations to Dealer under subsection K of Section 3 hereof and, subject to the provisions of "Chevrolet Policies on Dealer Adjustments", for other policy and warranty work performed by Dealer with Chevrolet's approval, Chevrolet will reimburse Dealer therefor as follows:

Parts: If the replaced part or parts are returned to and found by Chevrolet to be defective, Chevrolet will pay or credit to Dealer an amount equal to the then

current dealer net price of such part or parts plus ten per cent (10%). The return of such parts to Chevrolet shall be made in accordance with the provisions of subsection E of Section 4 hereof.

[fol. 1175] Labor: Chevrolet will pay or credit Dealer on the basis of the Chevrolet Flat Rate System of time allotments as recommended and furnished by Chevrolet at one hundred per cent (100%) of the labor rates related thereto as agreed upon with Chevrolet.

E. Chevrolet Policies on Dealer Adjustments

Dealer will comply with "Chevrolet Policies on Dealer Adjustments" established by Chevrolet to foster and retain owner good will toward Chevrolet dealers, Chevrolet and Chevrolet motor vehicles parts and accessories. Such policies are reviewed periodically by Chevrolet to assure the handling of adjustments properly and efficiently to secure the maximum benefits to be derived therefrom. Accordingly, Chevrolet reserves the right at any time to change or modify the provisions of the "Chevrolet Policies on Dealer Adjustments", such changes or modifications to become effective upon notice thereof to Dealer.

F. Customer Relationship

Dealer will furnish to owners of Chevrolet motor vehicles in Dealer's area of sales responsibility prompt, efficient and courteous service and will establish regular contact either by correspondence or personal interview with all persons purchasing Chevrolet motor vehicles from Dealer.

15. Signs

Dealer will purchase, erect, and maintain at Dealer's expense the following signs:

A. Product Sign

A standard product electric sign in a conspicuous place outside Dealer's showrooms, provided the erection thereof is not prohibited by municipal ordinance or statute.

B. Service Sign

A standard authorized service sign in a suitable location on the outside of Dealer's place of business.

C. Other Necessary Signs

Such other signs as are necessary to advertise Dealer's business properly on a basis mutually satisfactory to both Chevrolet and Dealer.

16. Trademarks and Service Marks

A. Exclusive Ownership

General Motors Corporation is the exclusive owner of the various trademarks and service marks, including the word "Chevrolet" and the several other word and design marks, which Chevrolet uses in connection with motor vehicles, parts and accessories, and the servicing thereof.

B. Use by Dealer

Dealer is granted the non-exclusive privilege of displaying such trademarks and service marks in connection with the sale or offering for sale and servicing of Chevrolet motor vehicles, parts and accessories, provided, however, that Dealer shall discontinue the display or use of any such mark or change the manner in which any such mark is displayed or used when requested to do so by Chevrolet. Such marks may be used as part of the name under which Dealer's business is conducted only with the express approval of Chevrolet.

C. Discontinuance of Use Upon Termination

If any such mark is used as part of Dealer's business or corporate name or is used in signs, advertising or in any other manner by Dealer, Dealer will, upon termination of this Agreement, immediately discontinue all such use and [fol. 1176] display thereof. Thereafter, Dealer will not use, either directly or indirectly, any such marks or any other marks so resembling said marks as to be likely to cause confusion or mistake or deceive the public. Failure of Chevrolet and Dealer to complete the purchase and sale of signs under the provisions of Section 21 of this Agreement shall not relieve Dealer of its obligations under the provi-

sions of this subsection C to discontinue the use of such marks on such signs.

D. Dealer's Liability for Failure to Discontinue Use

If Dealer shall refuse or neglect to keep and perform the provisions of subsections B or C above, Dealer shall reimburse Chevrolet for all costs, attorneys' fees and other expenses incurred by Chevrolet in connection with legal action to require Dealer to comply therewith.

17. Advertising and Promotional Program

In order that Chevrolet dealers may be assured the benefits of comprehensive advertising of Chevrolet products, Chevrolet agrees to establish, pay for, and maintain a Chevrolet advertising and Promotional Program to promote the sale of Chevrolet products for the mutual benefit of Chevrolet and Chevrolet dealers and to administer such program on a national and local basis.

Chevrolet undertakes to make provision for such Advertising and Promotional Program in an aggregate amount on the basis of the average amount per motor vehicle set forth in the Chevrolet Dealer Price List under the heading "Advertising and Promotional Program" for all new Chevrolet motor vehicles sold and delivered by Chevrolet to Chevrolet dealers.

During the term of this Agreement the provisions of the Advertising and Promotional Program may be modified from time to time to limit or to broaden the application and coverage of such program. Moreover, the average amount per Chevrolet motor vehicle may be increased or decreased from time to time with the announcement of new yearly model vehicles to compensate for increases or decreases in advertising and other costs and for modifications in the program.

TERMINATION OF AGREEMENT

18. Termination

A. Termination by Dealer

Dealer may terminate this Agreement by written notice of termination delivered to Chevrolet, such termination to be

effective one (1) month after receipt by Chevrolet of such notice.

B. Termination for Cause

(1) If Chevrolet or Dealer requires a license for the performance of any obligation under or in connection with this Agreement in any state or jurisdiction where this Agreement is to be performed, then and in such event if either of the parties shall fail to secure or maintain a license or renewal thereof or if such license shall be suspended or revoked, irrespective of the cause or reason therefor, either party may immediately terminate this Agreement by giving to the other party written notice of such termination.

(2) If Dealer does not conduct its business in accordance with any requirement set forth in Sections 6 through 12, [fol. 1177] inclusive, or Section 14 of this Agreement, Chevrolet may terminate this Agreement by giving to Dealer written notice of termination to be effective three (3) months after receipt of such notice.

(3) In the event of the death or incapacity (for reasons of health) of any person named in Paragraph Third hereof, Chevrolet may terminate this Agreement. However, to facilitate an orderly termination of the business relationships between Chevrolet and Dealer and to facilitate any liquidation of the dealership business contemplated by Dealer, Chevrolet will defer the exercise of such right to terminate for a period, to be determined by Chevrolet, of not less than ninety (90) days and not more than one (1) year from the date of such death or incapacity, and will continue to operate with Dealer under the terms of this Agreement during such period and this Agreement will terminate at the expiration of such period, if Chevrolet, within thirty (30) days from the date of such death or incapacity, receives a written request for such deferment from the executor(s), administrator(s) or representative(s) of such deceased or incapacitated person if he is the Dealer, or from the Dealer if Dealer is a proprietorship and such deceased or incapacitated person is not the Dealer, or from the remaining partner(s) in Dealer if Dealer is a co-partnership, or from the principal executive officer of Dealer if Dealer is a corporation. If such written request is not so

received by Chevrolet within such thirty (30) day period, Chevrolet may then terminate this Agreement.

(4) Chevrolet may terminate this Agreement immediately by delivering to Dealer or its representative written notice of such termination in the event of the happening of any of the following:

(a) Removal, resignation, withdrawal or elimination from Dealer for any reason of any person named in Paragraph Third of this Agreement.

(b) Any attempted transfer or assignment of this Agreement or any right or obligation hereunder.

(c) Any misrepresentation to Chevrolet by Dealer or by any person named in Paragraph Third hereof in applying for this Selling Agreement or any misrepresentation to Chevrolet by Dealer or by any person named in Paragraph Third hereof as to the direct and/or indirect ownership or management of Dealer; or any sale, transfer, relinquishment, voluntary or involuntary, by operation of law or otherwise, of any interest in the direct or indirect ownership or active management of Dealer without the prior written approval of Chevrolet.

(d) Any dispute, disagreement, or controversy between or among principals, partners, managers, officers or stockholders of Dealer which may adversely affect the ownership, operation, management, business or interest of Dealer or Chevrolet.

(e) Insolvency of Dealer; filing of a voluntary petition in bankruptcy by Dealer; filing of a petition to have dealer declared bankrupt, provided that it is not vacated within thirty (30) days from date of filing; appointment of a receiver or trustee for Dealer, provided such appointment is not vacated within thirty (30) days from the date of such appointment; execution by dealer of an assignment for the benefit of creditors.

(f) Conviction of Dealer or any principal officer, principal stockholder or manager of Dealer or any partner in Dealer of any crime, which, in the opinion of Chevrolet, may adversely affect the good will or interests of Dealer or Chevrolet.

(g) Failure of Dealer to maintain dealership operation as a going business, open during customary business hours, for seven consecutive business days, provided such failure is not due to causes beyond Dealer's control and is without Dealer's fault or negligence.

(h) Any submission by Dealer to Chevrolet of a false or fraudulent application, or claims or statements in support thereof, for reimbursement for warranty and policy work performed by Dealer, for parts wholesale compensation or for any other discount, allowance, refund or credit under any other Chevrolet program.

19. Transactions After Termination

A. Effect of Termination on Orders

In the event that a new Selling Agreement is not entered into by the parties upon expiration of this Agreement or in the event that this Agreement is terminated in accordance with any provision of Section 18, all orders of Dealer for motor vehicles, parts and accessories then outstanding shall be automatically cancelled. Termination of this Agreement shall not release Dealer, however, from the obligation to pay any sum which may then be owing Chevrolet or from the obligation to pay for any motor vehicle or equipment for same which is special, as defined in subsection C of Section 3 of this Agreement, and which may have been ordered by Dealer and not shipped prior to any termination of this Agreement.

B. Termination Deliveries

In the event of termination of this Agreement under the provisions of subsection A of Section 18, or subsection B(3) of Section 18 without any deferment of termination as provided for therein, but not otherwise, Chevrolet will use its best efforts to furnish Dealer with Chevrolet motor vehicles to fill Dealer's bona fide retail orders on hand on the date of termination not to exceed, however, the total number of motor vehicles delivered to Dealer by Chevrolet during the three (3) months immediately preceding the effective date of termination, subject, to the following conditions and limitations:

- (1) Within ten (10) days following the date of ter-

mination, Dealer shall deliver to Chevrolet a written schedule of Dealer's bona fide retail orders on hand on the date of termination. Such schedule shall show the name and address of each retail customer and the details with respect to each motor vehicle ordered, including model, body type, color and accessories and shall specify each bona fide order against which Dealer desires Chevrolet to make delivery up to the total number of motor vehicles required to be delivered by Chevrolet as above described. Those orders for which delivery is thus specified by Dealer, when approved by Chevrolet, shall constitute Dealer's Schedule of Termination Deliveries. No changes or substitution may be made by Dealer in such Schedule of Termination Deliveries and Chevrolet will not be obligated to make delivery of any motor vehicle to Dealer except as specified therein. In the event of Dealer's failure to deliver to Chevrolet the detailed Schedule above required, Dealer shall have no further rights.

[fol. 1179] (2) Dealer shall accept any motor vehicle required to be delivered by Chevrolet hereunder against Dealer's Schedule of Termination Deliveries immediately upon notification by Chevrolet of the availability to Dealer of such motor vehicle and in accordance with the terms and conditions of sale established by Chevrolet and in effect at the time of shipment. In the event of its failure to do so, Dealer shall have no further right to receive such motor vehicle or any other motor vehicle in lieu of it.

(3) Motor vehicles shall be delivered by Chevrolet hereunder in substantial accordance with the schedules and basis of delivery in effect with respect to other dealers in the same zone at the time of Dealer's termination.

(4) Dealer shall give Chevrolet notice immediately of cancellation for any reason of any retail order set forth in Dealer's Schedule of Termination Deliveries.

(5) In the event of the cancellation for any reason of any retail order set forth in Dealer's Schedule of Termination Deliveries before delivery by Chevrolet of a motor vehicle to apply against such order, Chev-

rolet shall be released from any obligation to make delivery of such motor vehicle.

(6) Dealer shall provide proper and adequate facilities in accordance with the terms and provisions of this Agreement to effect the delivery and handling of motor vehicles to be supplied upon termination under this subsection B.

C. Effect of Transactions After Termination

The acceptance of orders from Dealer or the continuance of sale of motor vehicles, parts, accessories or any other products to Dealer or any other act of Chevrolet after termination of this Agreement shall not be construed as a renewal of this Agreement for any further term nor as a waiver of the termination.

20. Survivor's Rights

A. Rights of Surviving Persons Named in Paragraph Third

In the event this Agreement is terminated by Chevrolet under the provisions of subsection B(3) or subsection B(4) (a) of Section 18 hereof, and, at the time of such termination, another person is named in Paragraph Third of this Agreement, Chevrolet shall offer a new Chevrolet Dealer Selling Agreement, in which such other person will be named in Paragraph Third thereof, to a successor dealership designated by such other person for the unexpired balance of the term of this Agreement, provided that such successor dealership is ready, willing and able to comply with the operating requirements of the then current Chevrolet Dealer Selling Agreement for a Chevrolet dealership at the dealership location and the other financial participants in such successor dealership are approved by Chevrolet, and provided, further, that such other person:

(1) is named in Paragraph Third of this Agreement on the basis of participating in the operation hereof as distinguished from participating solely in the ownership hereof;

(2) has not waived his rights under this subsection A in an Interim Agreement Addendum to this Agreement;

[fol. 1180] (3) will actively and, in fact, participate in the operation of the successor dealership; and

(4) will own or acquire within a reasonable time (considering then existing circumstances) after the date of termination of this Agreement a financial interest of at least twenty-five percent (25%) in the successor dealership.

If more than one other person is named in Paragraph Third of this Agreement at the time of such termination who can qualify under the conditions set forth above, such persons must agree in writing and notify Chevrolet within thirty (30) days after the termination of this Agreement, as to which of them will designate the successor dealership and be named in Paragraph Third of the new Chevrolet Dealer Selling Agreement. If Chevrolet does not receive such notice within such thirty (30) day period, Chevrolet shall not be obligated to offer a new Selling Agreement to a successor dealership designated by any of such persons.

B. Widow's Financial Participation and Interim Agreement Addenda

In view of Chevrolet's reserved right herein to terminate this Agreement under subsection B(3) of Section 18 hereof in the event of the death or incapacity (for reasons of health) of any person named in Paragraph Third hereof, Chevrolet has made available to Dealer, for consideration in conjunction with the provisions of subsection A of this Section 20 a Widow's Financial Participation Addendum form and an Interim Agreement Addendum form.

The Widow's Financial Participation Addendum provides that in the event that Chevrolet should terminate this Agreement under the provisions of subsection B(3) of Section 18 hereof and a surviving person or persons named in Paragraph Third hereof should qualify as a person or persons to be named in Paragraph Third of a new Chevrolet Dealer Selling Agreement to be offered to a successor dealership under the provisions of subsection A of this Section 20, Chevrolet will, with the approval of such surviving person or persons, consent to the acquisition or retention by the widow or wife, of the person named in Paragraph Third upon whose death or incapacity, as the

case may be, the termination is predicated, of a financial interest in the successor dealership, subject, however, to a right in the surviving person or persons to buy out the widow's or wife's, as the case may be, interest within the period of time agreed to by the parties therein.

The Interim Agreement Addendum provides that, in the event Chevrolet should terminate this Agreement under the provisions of subsection B(3) of Section 18 hereof, and if all other persons named in Paragraph Third of this Agreement, if any, shall have waived their rights to participate in the operations and ownership of a successor dealership under the provisions of subsection A of this Section 20, Chevrolet will offer to a nominee named in the Interim Agreement Addendum a Chevrolet Interim Dealer Selling Agreement for a term comprising the next succeeding twenty-four (24) months following the effective date of such termination, if such nominee, at the time of such termination, meets the qualifications set forth in the Interim Agreement Addendum. The Interim Agreement Addendum also permits the Dealer, or any person named [fol. 1180] in Paragraph Third with the approval of Dealer and any other person named in Paragraph Third, to make an election as to whether or not the widow or wife, of the person named in Paragraph Third upon whose death or incapacity, as the case may be, the termination is predicated, shall have a right to acquire or retain a financial interest in the successor dealership.

Any request for the execution of a Widow's Financial Participation Addendum or an Interim Agreement Addendum to this Agreement shall be made by Dealer in writing to Chevrolet and shall indicate that all persons named in Paragraph Third have approved the request. Such request in connection with an Interim Agreement Addendum shall name the person to be designated as nominee therein and outline his qualifications as an operator of a Chevrolet dealership.

21. Chevrolet's Right to Purchase When Agreement is Terminated

In the event of termination of this Agreement or in the event Chevrolet does not offer Dealer a new Selling Agreement upon the expiration of the term of this

Agreement, and upon compliance with the provisions hereinafter set forth, Chevrolet will purchase from Dealer and Dealer will sell to Chevrolet:

(1) All new and unused Chevrolet motor vehicles of the current model on hand in Dealer's place of business or in Dealer's possession at Dealer's net cost, including destination charges paid to Chevrolet thereon.

Motor Vehicles (2) All unused and undamaged Chevrolet parts listed in Chevrolet's current Dealer Parts and Accessories Price Schedule and purchased directly from Chevrolet, or purchased from an outgoing Chevrolet dealer as a part of Dealer's initial Chevrolet parts inventory, and on hand in Dealer's place of business or in Dealer's possession, at the dealer net prices therefor in effect at the time such parts are received by Chevrolet, less applicable stock order allowances thereon, if any, whether or not any such stock order allowances were made to Dealer when the parts were purchased by Dealer, plus five percent (5%) of such purchase price for packing costs and plus reimbursement for transportation charges to destination specified by Chevrolet.

Parts

(3) All unused and undamaged Chevrolet accessories and service supplies purchased directly from Chevrolet during the twelve(12) month period immediately preceding the effective date of such termination and on hand in Dealer's place of business or in Dealer's possession at the dealer net prices therefor in effect at the time such accessories and service supplies are received by Chevrolet, plus five per cent (5%) thereof for packing costs and plus reimbursement for transportation charges to destination specified by Chevrolet.

Accessories

(4) All new and unused commercial bodies and cabs of current models purchased directly from Chevrolet on hand in Dealer's place of business or in Dealer's possession at Dealer's net prices according to current Price Lists then in

Comm. Bodies bodies or cabs have been mounted on chassis by Dealer, the price to be paid therefor shall be the net price to Dealer for the complete unit according force plus transportation charges paid to Chevrolet thereon. In the event that any such commercial to current list prices, even though Dealer purchased same separately at a higher price.

Signs (5) Any signs belonging to Dealer of a type recommended in writing by Chevrolet and bearing the word "Chevrolet", at a price mutually agreed upon by Chevrolet and Dealer. If Chevrolet and Dealer cannot agree on a price, they shall select a third party who shall set the price.

Tools (6) Any special tools, which Dealer may elect to sell to Chevrolet, of a type recommended by Chevrolet and designed specifically for service of Chevrolet motor vehicles which were purchased by Dealer during the three (3) year period immediately preceding termination, while Dealer shall have been operating under a Chevrolet Selling Agreement, at a price mutually agreed upon by Chevrolet and Dealer. If Chevrolet and Dealer cannot agree on a price, they shall select a third party who shall set the price.

Immediately following the effective date of termination, Dealer shall furnish Chevrolet with a list of vehicle identification numbers of, and such other information as Chevrolet may require pertaining to, the motor vehicles to be purchased from Dealer under this Section 21. Dealer will deliver all such motor vehicles to Chevrolet in accordance with Chevrolet's instructions.

Within not more than thirty (30) days following the date of termination, Dealer shall mail or deliver to Chevrolet (i) lists of parts, accessories and service supplies, on forms furnished by Chevrolet and (ii) a list of special tools and signs to be purchased by Chevrolet under this Section 21. Dealer shall retain possession of all such items until receipt from Chevrolet of shipping instructions. Within ninety (90) days thereafter Dealer shall make delivery of such items, transportation charges prepaid, to such destination(s) as Chevrolet may direct.

Dealer shall take such action and shall execute and deliver such instruments as may be necessary (a) to convey good marketable title to all such property to Chevrolet, (b) to comply with the requirements of any applicable state law relating to bulk sales or transfers and (c) to satisfy and discharge any liens or encumbrances on said property prior to delivery thereof to Chevrolet.

Chevrolet shall pay Dealer for the property purchased by it under the provisions of this Section 21 as soon as practicable following delivery of such items to Chevrolet, provided, however, that any payment for such property may be made by Chevrolet, at its option, directly to any financing institution or other person or concern which shall have a security or ownership interest therein.

Chevrolet may deduct from the purchase price of any property purchased by it under the provisions of this Section 21 any indebtedness of Dealer to Chevrolet.

22. Loss on Premises

A. Premises Owned by Dealer

(1) Terminations to Which Applicable

The provisions of this subsection A shall be applicable [fol. 1183] only (a) in the event Chevrolet does not offer Dealer a new Selling Agreement upon the expiration of the term of this Agreement or (b) in the event Chevrolet terminates this Agreement (i) under the provisions of subsection B(1) of Section 18 hereof because of Chevrolet's failure to secure or maintain any required license or renewal thereof, (ii) under the provisions of subsection B(2) of Section 18 hereof or (iii) because of the incapacity for reasons of health of any person named in Paragraph Third of this Agreement.

(2) Premises to Which Applicable

The provisions of this subsection A shall be applicable only to premises which, at the time Dealer first has knowledge that a termination on one of the bases specified in paragraph (1) of this subsection A would become effective, (a) are owned by Dealer and carried on Dealer's books and records as land and building assets, (b) are not used or occupied in whole or in part for any business purpose other

than (i) the performance of Dealer's obligations under this Agreement or (ii) the performance of Dealer's obligations under this Agreement and one or more other dealer or distributor Agreements with Pontiac, Oldsmobile, Buick, Cadillac or GMC Truck & Coach Divisions of General Motors Corporation, and such other dealer or distributor Agreements are terminated simultaneously with the termination of this Agreement, and (c) are described in the "Statement of Dealership Premises" on file with Chevrolet. Such premises are hereinafter referred to in this subsection A as "Dealer's Premises".

(3) Chevrolet's Obligations

To the end that the equities of Dealer will be protected and Dealer will not suffer a loss on Dealer's premises in relation to the fair market value thereof as of the time of termination, Chevrolet will assist Dealer in the orderly disposition of Dealer's premises in accordance with and subject to the following provisions and conditions:

(a) Dealer shall, within thirty (30) days from the effective date of termination of this Agreement, file with Chevrolet a written application for assistance in the disposition of Dealer's premises in accordance with the provisions of this subsection A. Such written application shall contain a representation to Chevrolet by Dealer and the person or persons named in Paragraph Third of this Agreement that it is the intention of Dealer and each such person to retire from the business of selling either new or used motor vehicles in the general selling area wherein Dealer operated under this Selling Agreement. Chevrolet shall be released from any and all obligations to Dealer under this subsection A if Dealer fails to file such written application within such thirty (30) day period.

(b) Following receipt of the written application required under subparagraph (a) above, Chevrolet will endeavor to (i) locate a purchaser who will offer to purchase Dealer's premises at a fair and reasonable price, or (ii) locate a lessee who will offer to lease Dealer's premises for a reasonable term at a fair and reasonable rental. If Chevrolet does not locate such a purchaser or lessee within a reasonable time, Chev-

rolet will offer either to purchase Dealer's premises at a fair and reasonable price or will offer to lease Dealer's premises for a reasonable term at a fair and reasonable rental.

[fol. 1184] (c) In establishing a fair and reasonable purchase price for Dealer's premises for the purpose of sale thereof to Chevrolet or a reasonable rental for the purpose of lease thereof to Chevrolet, Chevrolet and Dealer will give consideration (i) to the adequacy of Dealer's premises for a Chevrolet dealership operation and the length of time Dealer's premises have been used by Dealer in the performance of this Agreement or any other dealer or distributor Selling Agreement and (ii) to the fair appraised market value of Dealer's premises or the fair and reasonable monthly rental rate for Dealer's premises, as the case may be, as determined by the average of the appraisals of three qualified real estate appraisers, of whom Dealer and Chevrolet shall each select one and the two thus selected shall in turn select the third. Based on these considerations, Dealer and Chevrolet shall agree upon a fair and reasonable purchase price and a fair and reasonable rental for Dealer's premises.

(d) Upon receipt of a bona fide offer from a prospective purchaser to purchase Dealer's premises at a fair and reasonable price Dealer will sell Dealer's premises to such prospective purchaser, or upon receipt of a bona fide offer from a prospective lessee to lease Dealer's premises at a fair and reasonable rental for a reasonable term Dealer will lease Dealer's premises to such prospective lessee. The failure of Dealer to accept such a bona fide offer from a prospective purchaser or from a prospective lessee shall constitute a complete release of Chevrolet from any obligation to purchase or lease Dealer's premises and from any other obligation under this subsection A.

(e) If Dealer's premises are also used by Dealer in the performance of Dealer's obligations under one or more dealer or distributor Agreements with Pontiac, Oldsmobile, Buick, Cadillac and GMC Truck & Coach Di-

visions of General Motors Corporation, which are terminated simultaneously with the termination of this Agreement, such other Division or Divisions of General Motors Corporation will arrange with Chevrolet as to which Division will assist Dealer in the disposition of Dealer's premises under this subsection A and Dealer will be so notified in writing.

B. Premises Leased by Dealer

(1) Terminations to Which Applicable

The provisions of this subsection B shall be applicable only (a) in the event Chevrolet does not offer Dealer a new Selling Agreement upon the expiration of the term of this Agreement or (b) in the event Chevrolet terminates this Agreement (i) under the provisions of subsection B(1) of Section 18 hereof because of Chevrolet's failure to secure or maintain any required license or renewal thereof or (ii) under the provisions of subsections B(2) or B(3) of Section 18 hereof.

(2) Premises to Which Applicable

The provisions of this subsection B shall be applicable only to the premises which, at the time Dealer first has knowledge that a termination on one of the bases specified in paragraph (1) of this subsection B would become effective, (a) are leased by Dealer under a written lease for a term continuing beyond the effective date of such termination, (b) are not used or occupied in whole or in part for any business purpose other than (i) the performance of Dealer's obligations [fol. 1185] under this Agreement or (ii) the performance of Dealer's obligations under this Agreement and one or more other dealer or distributor Agreements with Pontiac, Oldsmobile, Buick, Cadillac or GMC Truck & Coach Divisions of General Motors Corporation, and such other dealer or distributor Agreements are terminated simultaneously with the termination of this Agreement, and (c) are described in the "Statement of Dealership Premises" on file with Chevrolet. Such premises are hereinafter referred to in this subsection B as the "leased premises" and, if the leased premises are covered by more than one lease, the words "lease" and "lessor", as used in this subsection B, shall be deemed to include the plural thereof.

(3) Chevrolet's Obligations

To the end that the equities of Dealer will be protected and the normal losses incident to the liquidation of Dealer's business will be minimized, Chevrolet will assist Dealer in the liquidation of Dealer's obligations under any existing lease of the leased premises in accordance with and subject to the following provisions and conditions:

(a) Dealer shall, within thirty (30) days from the effective date of termination of this Agreement, file with Chevrolet a written application for assistance in the liquidation of Dealer's obligations under any lease of the leased premises in accordance with the provisions of this subsection B. Such written application shall contain a written representation to Chevrolet by Dealer and the person or persons named in Paragraph Third of this Agreement that it is the intention of Dealer and each such person to retire from the business of selling either new or used motor vehicles in the general selling area wherein Dealer operated under this Agreement. Chevrolet shall be released from any and all obligations to Dealer under this subsection B if Dealer fails to file such written application within such thirty (30) day period.

(b) Following receipt of the written application required under subparagraph (a) above, Chevrolet will endeavor to (i) locate a tenant or tenants, satisfactory to the lessor of the leased premises, who will offer to sublet the premises for the balance of the term of the lease or who will take an assignment or assignments and assume the obligations of such lease, or (ii) effect arrangements satisfactory to Chevrolet and the lessor of the leased premises whereby the lease with Dealer will be canceled, or (iii) sublet the premises from Dealer if the unexpired term of the lease shall not be in excess of twelve (12) months from the effective date of termination of this Agreement. In the event Chevrolet does not locate a sublessee or assignee or arrange for the cancellation of Dealer's lease or sublet the premises, as provided above, Chevrolet will pay Dealer as reimbursement to Dealer, at Chevrolet's option, either (1) a fair monthly rental as of the date of

termination, as determined by the average of the appraisals of three qualified real estate appraisers, of whom Dealer and Chevrolet shall each select one and the two thus selected shall in turn select the third, or (2) the rental specified in the lease. Such payments shall cover reimbursement for rental for a maximum period of twelve (12) months immediately following the effective date of termination or the balance of the term of the lease, whichever shall be lesser. If Dealer's [fol. 1186] obligations under the existing lease are not otherwise liquidated and Dealer is entitled to reimbursement from Chevrolet under the provisions hereof with respect to rentals paid by Dealer, Dealer must file its claim, supported by evidence satisfactory to Chevrolet, for such reimbursement within two (2) months after the expiration of the period covered by such claim.

(c) If the leased premises or any part thereof are occupied by Dealer or by anyone else for business or any other purpose after a period of one (1) month immediately following the effective date of termination, Chevrolet will be discharged from its obligation hereunder to reimburse Dealer for rental paid by Dealer as aforesaid with respect to any month during any part of which the premises or any part thereof are so occupied; provided, however, that where the dealership premises consist of more than one parcel of property or more than one building, each of which is separately usable, distinct and apart from the whole premises or any other part thereof, with appropriate ingress or egress, each such parcel or building may be considered separately for the purposes of this paragraph 3(c) of this subsection B.

(d) If requested to do so by Chevrolet, Dealer shall use its best efforts to effect a settlement of any lease covering the leased premises with the lessor named therein to the same extent as if Chevrolet were not obligated to assist Dealer in the liquidation of Dealer's obligations under such lease, but any such settlement shall be approved by Chevrolet before being finally accepted by Dealer. Any reduction in rental resulting

from any such settlement shall proportionately reduce Chevrolet's obligations under this subsection B.

(e) If the leased premises are also used by Dealer in the performance of Dealer's obligations under one or more dealer or distributor Agreements with Pontiac, Oldsmobile, Buick, Cadillac or GMC Truck & Coach Divisions of General Motors Corporation, which are terminated simultaneously with the termination of this Agreement, such other Division or Divisions of General Motors Corporation will arrange with Chevrolet as to which Division will assume the obligations to Dealer under this subsection B and Dealer will be so notified in writing.

(f) Upon receipt of a bona fide offer from a prospective tenant or tenants satisfactory to the lessor of the leased premises, Dealer will sublet the leased premises or assign the lease thereon to such prospective tenant or tenants. In the event Chevrolet arranges a cancellation of such lease without cost to Dealer, Dealer will execute a cancellation agreement with the lessor of the leased premises. The failure of Dealer to sublet the leased premises, to assign the lease, to execute a cancellation agreement with the lessor of the leased premises or to use its best efforts, if requested, to effect a settlement, all as provided in this subsection B, shall constitute a complete release of Chevrolet from any further obligations under this subsection B.

(g) Dealer shall permit Chevrolet to examine and audit Dealer's books and records insofar as may be necessary to verify claims filed by Dealer under this subsection B.

[fol. 1187] (h) If Dealer is a proprietorship, the term "Dealer" as used in this subsection B shall be interpreted to include Dealer's executor(s), administrator(s) or representative(s) in the event this Selling Agreement is terminated in accordance with the provisions of subsection B(3) of Section 18 hereof.

C. Negotiations

The provisions of subsections A and B of this Section 22 dealing as they do with situations as they will arise in the future must of necessity be stated in broad terms, and to accomplish the fair and equitable results intended all negotiations and transactions contemplated by such subsections will be carried on in the utmost of good faith on the respective parts of both Dealer and Chevrolet.

D. Termination Due to Death of Dealer

If this Agreement is terminated due to the death of Dealer or any person named in Paragraph Third hereof, Chevrolet, if requested to do so, and without assuming any legal obligations or liability with respect thereto, will render assistance to the representatives of the estate of Dealer if the deceased person is Dealer, or to Dealer if the deceased person is not Dealer, in locating a purchaser or lessee for any premises owned by Dealer and used in the performance of Dealer's obligations under this Agreement at the time of said termination.

GENERAL PROVISIONS

23. Dealer Not Made Agent or Legal Representative of Chevrolet

This Agreement, of which these Terms and Conditions are a part, does not constitute Dealer the agent or legal representative of Chevrolet for any purpose whatsoever. Dealer is not granted any express or implied right or authority to assume or to create any obligation or responsibility in behalf of or in the name of Chevrolet or to bind Chevrolet in any manner or thing whatsoever.

24. Responsibility for Dealer's Commitments

Except insofar as it is specifically provided otherwise in this Agreement, Dealer shall be solely responsible for any and all obligations or responsibilities incurred or assumed by Dealer in the performance of this Agreement.

25. Local Taxes

Dealer hereby certifies that all motor vehicles, parts, accessories and items similar thereto purchased from Chevrolet are for resale in the course of Dealer's business. Dealer further certifies that Dealer has obtained any license required to collect sales or use taxes incurred in any such resale transactions, and that the number, if any, of such license has been or will be furnished to Chevrolet. Dealer agrees, as to any such motor vehicles, parts, accessories or items similar thereto which are withdrawn from stock and put to a taxable use in lieu of or prior to resale, and as to any tangible property which Dealer purchases for use and not for resale, to pay directly to the appropriate taxing authority any sales, use or similar taxes incurred by such use or purchase, to file any tax returns required in [fol. 1188] connection therewith, and to hold Chevrolet harmless from any claims or demands made by such taxing authority with respect thereto.

26. Notices

Any notice required to be given by either party to the other under or in connection with this Agreement shall be in writing and delivered personally or by mail. Notices to Dealer shall be directed to Dealer, or its representative at Dealer's place of business; notices to Chevrolet shall be directed to the Zone Manager of the area in which Dealer is located.

27. No Implied Waivers

The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision hereof constitute a waiver of any succeeding breach of the same or any other such provision nor constitute a waiver of the provision itself.

28. Applicable Law

This Agreement is to be governed by and construed according to the laws of the State of Michigan. If, however, any

provision in anywise contravenes the laws of any state or jurisdiction where this Agreement is to be performed, such provision shall be deemed not to be a part of this Agreement therein.

29. Assignment

Dealer shall not transfer or assign nor attempt to transfer or assign this Agreement or any right or obligation hereunder without the prior written consent of Chevrolet executed by the General Sales Manager or an Assistant General Sales Manager of Chevrolet.

30. Sole Agreement of Parties

There are no other agreements or understandings, either oral or in writing, between the parties affecting this Agreement or relating to the sale or servicing of Chevrolet motor vehicles, parts or accessories, except as otherwise specifically provided herein.

This Agreement cancels and supersedes all previous agreements between the parties.

No change in, addition to (except the filling in of blank lines) or erasure of any printed portion of this Agreement shall be valid or binding upon Chevrolet unless the same is approved in writing by the General Sales Manager of Chevrolet.

No agreement between the parties which is at variance with any of the provisions of this Agreement or which imposes definite obligations upon either party not specifically imposed by this Agreement or which is intended to be effective or performed following the expiration or other termination of this Agreement and imposes obligations or extends the time for performance thereof other than as provided in this Agreement shall be binding upon either party unless it bears the signature of the General Sales Manager of the Chevrolet Motor Division—General Motors Corporation and is executed or accepted by Dealer, or unless it bears the facsimile signature of the General Sales Manager, and, except for Dealer Price Lists, is countersigned by an Assistant General Sales Manager, a Regional Manager, an Assistant Regional Manager or a Zone Manager of the Chevrolet Motor Division—General Motors Corporation and is executed or accepted by Dealer.

[fol. 1189] EXHIBIT 4.1 TO STIPULATION OF FACTS
NUMBER ONE

Definition of Los Angeles Metropolitan Area
From January 1, 1960 Through March 31, 1961

"In Los Angeles County, that portion of Los Angeles County bounded by the western and northern city limits of Los Angeles from the Pacific Ocean north, and east to the foothills of the San Gabriel Mountains at Highway Highlands; continuing east along these foothills to the San Gabriel River; and south along the San Gabriel River to Beverly Boulevard; east on Beverly Boulevard, to the city limits of Whittier, following these limits to Catalina Avenue; south on Catalina Avenue to Whittier Boulevard; southeast on Whittier Boulevard, to Scott Avenue and south on Scott Avenue and an imaginary line continuing from the end of Scott Avenue to Imperial Highway; west on Imperial Highway to Ocaso Avenue, south on Ocaso Avenue to the Los Angeles County Line; southwest along the Los Angeles County Line to the Pacific Ocean."

"Including non post office areas served by the post office stations located in the above named communities."

[fol. 1190] EXHIBIT 4.2 TO STIPULATION OF FACTS
NUMBER ONE

Definition of Los Angeles Metropolitan Area
From April 1, 1961 Through October 12, 1961

"In the State of California

In Los Angeles, San Bernardino and Orange Counties, that area bounded by the western and northern city limits of Los Angeles from the Pacific Ocean north and east to the northern city limits of Glendale and the Angeles National Forest Boundary. Continuing east along the Angeles and San Bernardino National Forest Boundaries including the northern city limits of Pasadena, Monrovia, Bradbury, Duarte and Azusa to the Cucamonga Creek; thence south along the Cucamonga Creek to 19th Street at the city limits of Upland, East on 19th Street to Haven Avenue; south on Haven Avenue to the Southern Pacific Railroad tracks, thence west on the railroad tracks to Archibald Avenue, south on Archibald Avenue including the city limits of Ontario to the San Bernardino County line. Thence southwest on the San Bernardino County line to the Orange County line and then southeast on the Orange County line to Santa Ana Canyon Road (Riverside Freeway); southwest on Santa Ana Canyon Road to the city limits of Anaheim. Around the city limits of Anaheim and the city limits of Orange to Santiago Blvd. Thence south and east on Santiago Blvd. to Chapman Ave., east on Chapman Ave. to Newport Ave., south on Newport Ave. to Newport Blvd. Continued southwest on Newport Blvd. including the city limits of Tustin to MacArthur Blvd., south on MacArthur Blvd. to the city limits of Newport Beach; thence southeast along the city limits of Newport Beach to the Pacific Ocean; including non-post office areas located within or without the area described above served by post office stations located within the area described above.

[fol. 1191] In addition, the following communities in Los Angeles County:

Agoura
Calabasas
Malibu

Mt. Wilson
Olive View

Including non-post office areas served by post office stations located in the above named communities.

In San Bernardino County, the community of Mt. Baldy; including non-post office areas served by post office stations located in the community of Mt. Baldy.

In addition, the following communities in Orange County:

El Toro
Irvine

Silverado
Trabuco Canyon

Including non-post office areas served by post office stations located in the above named communities."

[fol. 1192] EXHIBIT NUMBER 5.1 TO STIPULATION OF FACTS
NUMBER ONE

Definition of San Diego Metropolitan Area
From January 1, 1960 Through October 31, 1960

"In the State of California, in the County of San Diego, the City of San Diego, including La Jolla, Pacific Beach, Mission Beach, Torrey Pines, Ocean Beach, Point Loma, all U.S. Military and Naval reservations; also, La Mesa City, National City, Coronado City, Chula Vista City, El Cajon City, and the unincorporated communities of Lemon Grove, Mt. Helix and Linda Vista."

[fol. 1193] EXHIBIT 5.2 TO STIPULATION OF FACTS
NUMBER ONE

Definition of San Diego Metropolitan Area From
November 1, 1960 Through October 12, 1961

"In the State of California

In San Diego County, that portion of San Diego County within the following boundary lines:—Beginning at the junction of the Pacific Ocean and the northern corporate limits of Del Mar east to the city limits of San Diego, thence east along the San Diego City limits to its intersection with the northern boundary of Township 15 South, east along the Township 15 South line to its intersection with the eastern boundary of Range 1 West. South along Range 1 West line around the city limits of El Cajon to State Highway #94, southwest on State Highway #94 to Jamacha Blvd., southwest on Jamacha Blvd. to Sweetwater Reservoir. Southwest along the northern bank of the Sweetwater Reservoir to the Sweetwater River, southwest along the Sweetwater River to the Bonita Mesa Road bridge, thence across the Sweetwater River to Bonita Road. West on Bonita Road to the city limits of Chula Vista, south along the Chula Vista city limits to Mace Street, south on Mace Street to the San Diego City limits. East and south along the city limits of San Diego to the Mexican border, west along the Mexican border to the Pacific Ocean; including non-post office areas located within or without the area described above served by post office stations located within the area described above.

In addition, the following communities in San Diego County:

Alpine	Jamul
Bonita	Lakeside
Boulevard	Mt. Laguna
Campo	Pine Valley
Descanso	Potrero
Dulzura	Tecate
[fol. 1194] Guatay	Tierra del Sol (Hi-
Jacumba	pass)

Including non-post office areas served by post office stations located in the above named communities."

[fol. 1195] EXHIBIT 6 TO STIPULATION OF FACTS
NUMBER ONE

Definition of San Bernardino Metropolitan Area
From January 1, 1960 Through October 12, 1961

"In the County of San Bernardino, City of San Bernardino."

[fol. 1196] EXHIBIT 7.1 TO STIPULATION OF FACTS
NUMBER ONE

CHEVROLET MOTOR DIVISION
General Motors Corporation
Metropolitan Area Addendum
To Dealer Selling Agreement

The following is expressly declared to be a modification of your Selling Agreement and is hereby approved as such by the General Sales Manager of Chevrolet Motor Division, General Motors Corporation, hereinafter called "Chevrolet":

"Chevrolet has made a survey or an analysis of areas, hereinafter called Metropolitan Areas, which include cities having a population of 50,000 or more or in which two or more Chevrolet dealers have common sales responsibility, and has determined thereupon the maximum number of dealers to be located in each Metropolitan Area and the approximate geographical locations of such dealers. In any Metropolitan Area, however, where Chevrolet shall not have made such a survey or analysis, the maximum number of Chevrolet dealers and their approximate geographical locations and, in addition, the number of established open points shall be the same as those appearing on Chevrolet's records as of March 1, 1956.

"Chevrolet has informed the dealers located within each Metropolitan Area as to the maximum number of dealers to be located therein and their approximate geographical locations, and no changes in respect thereto will be made unless and until a survey, analysis or review of such Metropolitan Area has been made and at least sixty (60) days' notice of such proposed change shall have been given to each Chevrolet dealer located therein so that such dealer may, if it so desires, discuss same with Chevrolet prior to the effective date of such change; provided, however, that such notice may be waived by mutual consent of Chevrolet and all dealers located in such Metropolitan Area; and provided further, that if a Chevrolet dealer located in a Metropolitan Area has been given notice by Chevrolet of the termination of its Selling Agreement in accordance with the provisions thereof, or a dealer has knowledge that termination by

either party will take place, or that termination by expiration without the grant of a further Agreement by Chevrolet will become effective, and at that time such dealer is handling or undertakes to handle another line of motor vehicles, Chevrolet may appoint, or cause to be appointed, a Chevrolet dealer to be located in such Metropolitan Area one month thereafter, even though the appointment of such dealer may raise temporarily the number of Chevrolet dealers in such Metropolitan Area above the said maximum”.

Chevrolet Motor Division, General Motors Corporation,
K. E. Staley, General Sales Manager.

By Zone Manager.

(Dealer should file this Addendum with Dealer’s current
Selling Agreement.)

Detach and Return to Zone Office

City or Town State
Date, 19....

Received from Chevrolet Motor Division—General
Motors Corporation “Metropolitan Area Addendum to
Dealer’s Selling Agreement” the terms of which are ac-
cepted and agreed to.

.....
Witness Dealer

By

[fol. 1197] EXHIBIT 7.2 TO STIPULATION OF FACTS
NUMBER ONE

CHEVROLET MOTOR DIVISION
General Motors Corporation
Metropolitan Area Addendum
To Dealer Selling Agreement

Dated , 19

Dealer Firm Name

Street Address

City and State

Chevrolet has designated as Metropolitan Areas certain Areas which include cities having a population of 50,000 or more or cities in which two or more Chevrolet dealers have common sales and service responsibility.

Based on surveys and analyses made of each Metropolitan Area, Chevrolet has determined the maximum number of dealer points to be located in each Metropolitan Area and the approximate geographical location of each dealer point. By separate written notice Chevrolet has heretofore advised or will advise you and each authorized Chevrolet dealer located in your Metropolitan Area of the geographical area encompassed by such Metropolitan Area, the maximum number of dealer points to be located therein and their approximate geographical locations.

You are advised that no increase in such maximum number of dealer points or in their approximate geographical locations will be made by Chevrolet unless and until a survey, analysis or review thereof is made by Chevrolet and at least sixty (60) days notice of such proposed change is given to each authorized Chevrolet dealer located in your Metropolitan Area so that each such dealer may discuss the proposed change with Chevrolet prior to the effective date thereof, unless each such dealer shall have waived such notice.

However, the undertaking of Chevrolet hereunder to provide the dealers in your Metropolitan Area with sixty (60) days prior notice of any such proposed change shall not

apply in those cases where Chevrolet, pending the termination by either party or termination by expiration of the Chevrolet Dealer Selling Agreement of an existing dealer in your Metropolitan Area, appoints a new dealer for the approximate geographical location of such existing dealer, even though such appointment temporarily increases the maximum number of dealer points in your Metropolitan Area.

This is expressly declared to be a modification of your current Chevrolet Dealer Selling Agreement and is hereby approved as such to the extent that it affects in any way the provisions thereof.

Chevrolet Motor Division, General Motors Corporation,
By K. E. Staley, General Sales Manager.
By Manager.

Acknowledged and accepted this day of
....., 19....:

Dealer Firm Name

By
Title

[fol. 1198] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 2

July 2, 1960.

Mr. Jere Faust
Assistant Zone Manager
Chevrolet Motor Division
Los Angeles, California

Dear Jere: .

I am certain this letter will come as no great surprise to you as you have probably heard of this before, but thought that we too write; bringing it to your attention. Discount Houses are certainly being very active in this area. There are three to the best of our knowledge, who are in business within the city limits of Santa Ana, a few blocks down the street from our agency.

As you probably already know Discount Houses do not purchase their cars from the local dealer, but the local dealer is obligated to service said purchases. We certainly ask your assistance in stopping their sources of supply of new cars.

According to the last authentic report, one discount house alone was reported to have sold 173 new cars last month. A majority of which were most obviously the more popular car, Chevrolet.

We are doing and will continue to do everything in our power to combat these Discount Houses, and whenever we are on a deal with a person who has contacted them have been successful in most instances in seeking the business; even though there has been little or no gross. However, there are many persons who purchase from Discount Houses which we will never be able to contact. With these people, of course, we have no chance of delivery. We certainly hope you will take active steps before we get into the model clean-up period.

Thanking you in advance.

Very sincerely yours, Marty Lockney, President.

Kimberly 3-9311.

Guaranty Chevrolet.
General Motors, Chevrolet, 120 West First Street, Santa Ana, California.

[fol. 1199] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 3

From the Desk of . . . (See page 12)

Eddie Hopper

To: Jerry Faust, % Zone Office

Date: October 3rd, 1960.

Please note the enclosed copy of the CMA "News" which has been distributed in Orange County. Already they are advertising 1961 models at a year-end clearance figure. They, along with Gemco, Leonards, and ABC, have us completely (and Fedco) surrounded if you would note on a map. Chevrolet has to make a definite move on this situation before it gets completely out of hand as I cannot sit here trying to hold close to full gross when they are already quoting first week delivery and using cost figures plus \$150.00. We both know they will deliver too! With this union threat going around this situation would only increase their chances of victory with more disgruntled salesmen in our agencies. This is a cancer and must be treated as such. I do believe you agree with me. Any assistance I can offer, including that of my managers and sales force, will be at your disposal in order to remedy these discount thieves. Hope to see you during the opening.

Sincerely, Eddie Hopper.

Compliments of The Reynolds & Reynolds Co., 3044
Riverside Drive, Los Angeles 39, Calif.

[fol. 1200] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 4

Received October 18, 1960

BOB ERSKINE CHEVROLET

363 East Holt Avenue, Pomona, California

NA 2-1136

October 17, 1960.

R. M. O'Connor
3325 Wilshire Blvd.
Los Angeles 5, Calif.

Dear Mr. O'Connor:

In reply to your letter of September 23 regarding the Policy and Warranty Claim expense of our dealership I can advise that we have just completed an audit of our year to Date L & MRs. I have personally supervised this audit and I am in constant close contact with my Service Manager and his conduct of this important phase of our operation.

Our audit reflects that of the \$18,302 submitted in claims this year \$5167.00 or 28.2% was for work performed on Chevrolets sold by other dealerships. I feel that this may account for our experience. Perhaps the fact that we actively solicit the service business of our local Chevrolet owners who buy their cars from other Chevrolet dealers may account for our unusually high percentage of L & MRs.

I am enclosing a sample of the type letter we mail to new Chevrolet buyers as soon as we get the information from Motor Recorder.

The only Chevrolet owners we exclude are those who obtain their cars through the Union Store Discount House in Upland.

I appreciate your letter, Mr. O'Connor, and I'll certainly welcome your comments and assistance at any time.

Sincerely, Bob Erskine.

BE:jg

cc: R. M. Cash, J. C. Faust.

[fol. 1201] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 6

Received November 7, 1960

WARREN BIGGS CHEVROLET
205 South Vermont Avenue Telephone DUmkirk 1-1211
Los Angeles 4, California

November 5, 1960.

Mr. Owen Keown,
Lincoln & Washington Boulevard,
Venice, California.

Dear Owen:

Since I was rather shaken up to find myself in the role of a discount house bell cow, I hastened to get together some figures from our October business to dispel this illusion.

Out of 125 cars and trucks reported out on factory ten day reports last month, 26 deliveries stemmed from Fedco referrals. Of these 26 deliveries, 11 were located outside of the City of Los Angeles. Of the 11, 3 were delivered in Orange County. It is interesting to note that 33 of our 125 deliveries were out of the city, indicating that two-thirds of our deliveries outside our own actual area of service influence were delivered by regular retail salesmen. I believe that this would be a higher ratio than usual for us, possibly because of the fact that we have been advertising new 1960's and new 1960 El Caminos. In this connection I would like to point out that the same service problem arises out of our regular salesman retail deliveries outside of the city as do with the Fedco referrals.

I have questioned everyone in my dealership in a management capacity as to any connection we might have with any discount house of which I might be unaware. With the exception of one 1960 El Camino that we delivered through the Fleet Sales Company, only because of the lack of availability of one elsewhere, we delivered no cars or trucks to any discount houses during October. My Fedco salesman delivered only four cars outside of his Fedco referrals and they were all from personal individual bird dogs. You

spoke of a Moore Discount house using our name, and I am informed by our salesmanager that they made overtures to us about a year and a half ago through a salesman named Lawson, who I understand once worked for you. At that time their overtures were declined and none have been made since. I can only assume in the case that you mentioned that some individual salesman in my dealership must have encouraged their sending in a prospect in the hope that he might do something with subject prospect when he arrived. I have also carefully checked back with my office personnel, and I can state positively that no checks have been issued to discount houses.

Let me give you some further interesting detail on the Fedco account. Referrals are sent to us with no prior figures and we are in complete control of the deal in every respect. We sell about 25% of the people referred to us. Last month on 26 new passenger car deliveries we grossed an average of \$272/00 per car, and these figures I have just taken personally from our wash-out sheets. On the 4 trucks that were delivered, an average gross of \$254.00 per unit was retained. In addition to these grosses, an actual realized under-allowance of \$1043.00 on used cars traded in amounted to approximately \$35.00 per unit, paying all but \$15.00 of the referral fee on each car and truck delivered during the month. These figures do not take into account retail grosses realized from the sale of Fedco trade-ins or finance and insurance profits derived. They also do not take into account profits derived from the average retail sale of ten used cars to Fedco referrals each month. It should be obvious to you that the retention of such grosses would not imperil the trading position of any other dealer with these prospects. In fact, we are daily losing business to other dealers at grosses substantially below those indicated above. It would also be obvious to you that we would be most reluctant to discard an account as good as this one without rather concrete assurance that it would not immediately be picked up by another Chevrolet dealer.

A few comments as to the servicing of our Fedco cars. We use on every delivery a three year or 36,000 mile warranty, and we make quite a play of delivering the document to every owner. This warranty necessitates the return of the customer to our place of business every 1,000 mile for lubrication and oil change in order to keep his warranty

active. I would be very glad to run a survey in our service department to confirm my belief that almost 100% of our Fedco deliveries return to us for their new car warranty service.

I would like to emphasize again that this firm does not and will not do any business with a discount house or any other referral agency but Fedco. I would like to further go on record with a statement that, despite our profit position in this account, we would drop it immediately if requested to do so by the Chevrolet Motor Division.

As I told you yesterday, if it is generally conclusive that our termination of the Fedco account will be a decisive step in terminating discount house activity I would be very favorably disposed to so doing.

Your very truly, Warren Biggs.

WB:e

cc: Mr. John Hessel, Hessel Chevrolet, 901 North Sepulveda, El Segundo, California.

cc: Mr. Robt. O'Connor, Chevrolet Zone Office, 3325 Wilshire Boulevard, Los Angeles, California.

[fol. 1204] IN THE UNITED STATES DISTRICT COURT
PLAINTIFF'S EXHIBIT No. 7

Memorandum From L. H. Averill

November 18, 1960.

Mr. J. M. Roche

Attached hereto is copy of letter received by Mr. Staley from Mr. Connell of Miller Chevrolet Co.—together with tearsheet showing Gemco's ad which is appearing in the daily newspapers at Santa Ana and possibly in the "Los Angeles Times".

After this has served its purpose, you may wish to turn this over to Mr. SchreitmueLLer who has a rather extensive file on the activities of this discount house.

L. H. Averill.

LHA:rm

Att.

[fol. 1205] MILLER CHEVROLET Co.
1000 West Coast Highway
Newport Beach, California

November 11, 1960

Dear Mr. Staley:

As you probably know I have a 1/3 interest in this deal with a 5 year buy out agreement.

The enclosed ad I am sending is only to appraise you of a nasty situation existing in this area, our county in particular. It was run in the Santa Ana Register Nov. 10th and I understand also in the Los Angeles Times. Both papers have a wide circulation in our area.

This particular discount house has models on display [fol. 1206] that some of us *franchised* dealers have not had as yet.

I think the ad speaks for itself.

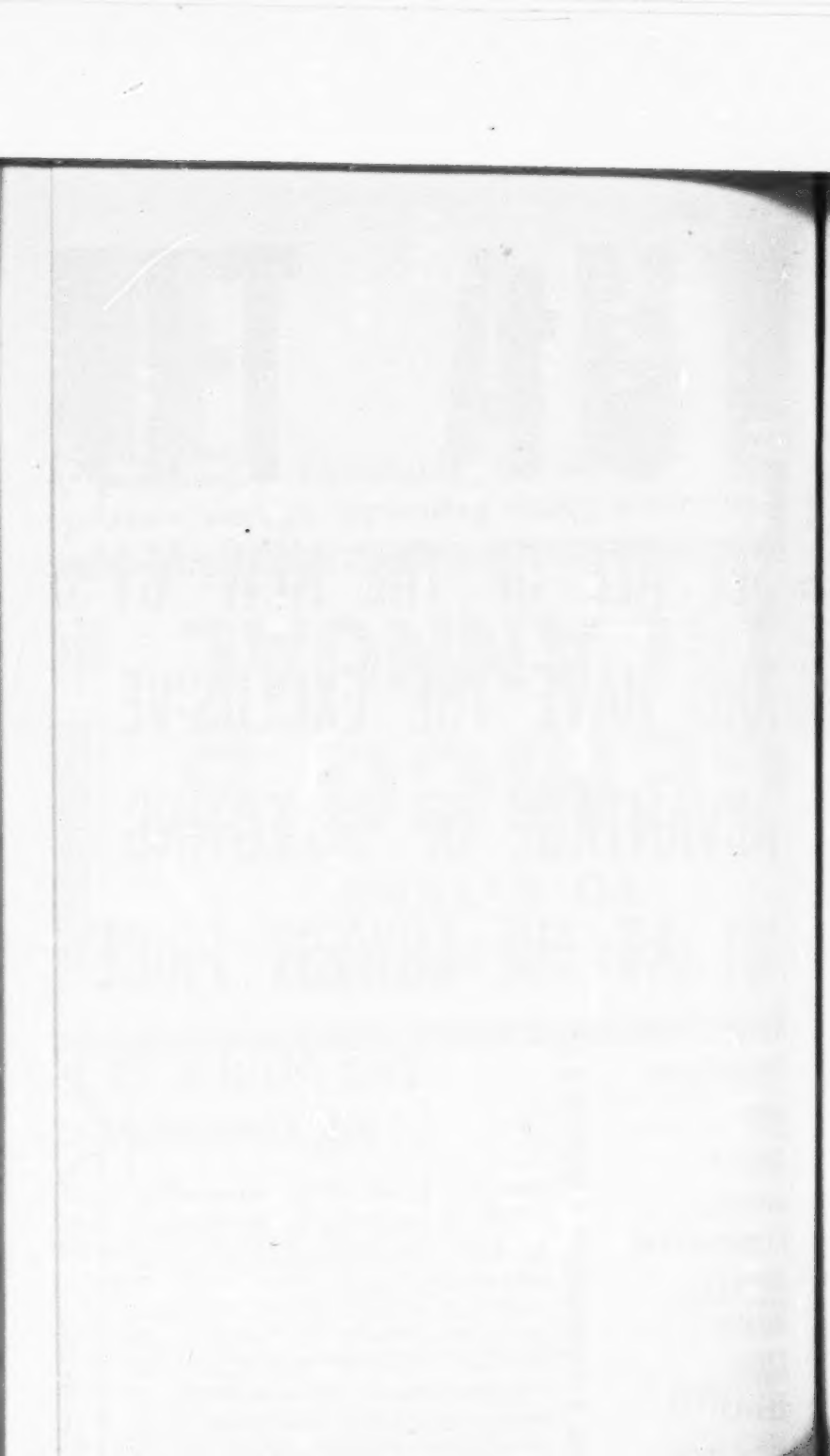
I am sending this to you on a personal basis.

The local dealer group is already working on this thing thru Mr. O'Connor, and no doubt will be brought to your

attention soon, but this is the boldest move on their part to date and came about while the zone people are in Oakland and most of the dealer group is attending a meeting in Honolulu.

With kindest regard to Nell.

Sincerely, John Connell.



[fol. 1208] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 8

Received November 14, 1960

Mr. O'Connor:

Here is another sample of "Bootleg" Discount House New Car business. This ad appeared in the Los Angeles Times,—Orange County Section.

It also appeared in the Santa Ana Register.

Fred Logan.

[fol. 1210] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 9

EDDIE HOPPER CHEVROLET
10511 Garden Grove Boulevard
JEfferson 4-2700—HEmlock 2-6411—MAdison 5-2963
Garden Grove, California

11-15-60.

E. N. Cole,
Chevrolet Motor Division,
General Motors Building,
Detroit 2, Mich.

Dear Sir:

I am writing in regard to the Discount House problem on automobiles here in So. California.

I am a Chevrolet Salesman and make my living thereby. I have lost a considerable amount of business because of these places and it seems to be getting more so all the time.

I believe in competition and there is plenty in this business, but competition like this is highly unfair.

There are seven of these so-called Discount Houses in this immediate area. The dealers that are supplying these places with cars exist out of this area. I believe the only way to eliminate this menace is to shut off the Discount Houses supply.

Hoping you will look into this matter, I remain,

Sincerely, Richard P. Zebroski.

[fol. 1211] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 10

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

Received November 16, 1960, J. M. Roche

1056P EST NOV 15 60 DEA852 OA684
O SAA429 NL PD LAGUNA BEACH CALIF 15

JOHN F GORDON PRESIDENT GMC
GENERAL MOTORS BLDG DET

FINDING IT EXTREMELY DIFFICULT TO SELL AGAINST DIS-
COUNT HOUSES OUR AREA SEVEN TO BE EXACT OUR CHEV-
ROLETS ARE BEING DISCOUNTED BEYOND REASON SUGGEST
YOU INVESTIGATE AND ADVISE PERSONALLY ITS PLACING MY
JOB IN JEOPARDY

CHEVROLET SALESMAN ERIS H JAMISON JR 350 BROADWAY.

[Copy Illegible]

[fol. 1212] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 11

EDDIE HOPPER CHEVROLET
10511 Garden Grove Boulevard
JEfferson 4-2700—HEmlock 2-6411—MAdison 5-2963
Garden Grove, California

November 16, 1960.

Mr. E. N. Cole
Chevrolet Motors Division
General Motors Building
Detroit 2, Michigan.

Dear Sir:

I have been a professional automobile salesman for the past fifteen years and during the past two years my income has been seriously affected by sales of cars through Discount Houses. I am a Chevrolet 100-Club Member, hold a Dodge Top-Flite Award, have a Packard Master Salesman ring and a Studebaker Salesman Award. So you can understand my resentment against the fact that neither salesmen or New Car Agencies will be necessary if sales continue through the medium of Discount Houses.

It seems pertinent that something be done from a manufacturing level to correct this situation, through a matter of distribution to dealers who sell new cars to the discount sources.

I will appreciate a reply from you at your earliest convenience.

Thank you.

Sincerely, Richard H. Gingrich.

RHG:bg

[fol. 1213] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 12

EDDIE HOPPER CHEVROLET
10511 Garden Grove Boulevard
JEfferson 4-2700—HEmlock 2-6411—MAdison 5-2963
Garden Grove, California

November 16, 1960.

Mr. E. N. Cole
Chevrolet Motors Division
General Motors Building
Detroit 2, Michigan.

Dear Mr. Cole:

It is with pleasure and also with regret that I am directing this letter to you on behalf of my Salesforce. My pleasure is that of owning a volume Chevrolet Franchise. My regret is because of a menace we are faced with in Orange County—Discount Houses!

Recently we have been plagued with an increasing number of these so-called volume stores in this area. To be exact, we now have seven (7) of them surrounding my agency, which is located in Garden Grove. To name them, they are: Gemco, Fedco, Fed-Mart, Leonards, ABC, White Front, and C. M. A.

It may not seem comprehensive to someone in Detroit, Chicago, or New York that a discount house could affect the operation of a Chevrolet Dealership, but, believe me, it has. I, and a few other Chevrolet dealers, have spoken to the Los Angeles Zone Office regarding this, and have been told that they are doing as much as possible, and investigating the problem. A group of Chevrolet dealers in the Los Angeles/Orange County area are so concerned that they *joined* together in order to fight this problem. It has grown to such a magnitude that now *all* the dealership, Chevrolet, Ford, Pontiac, Oldsmobile, Dodge, Plymouth, etc., in this area, are striving to save their agencies and Salesforces, as this is a matter that is extremely serious and should be dealt with immediately.

Believe me, I am proud of the fact that I am a Chevrolet

Dealer and have been associated with Chevrolet for the past 30 years. I am also proud of the fact that I have built one of the most modern and most reputable agencies, covering five acres, in Southern California. This is something to be proud of, but, at the same time it is irritating because I must have \$500,000 invested in order to sell Chevrolets while these discount houses have only a desk and a ribbon clerk who acts as a salesman. These leeches are selling new Chevrolets two to three hundred dollars less than I can afford to deliver one. They inform the people to shop the agencies and, "get the best prices you can—then come back and save hundreds". What hurts is that it is true! They are being supplied these new cars by five or six Chevrolet dealers, who are located 18 to 30 miles away from here, for \$50.00 to \$75.00 over invoice.

[fol. 1214] Just as an example, last week-end at Gemco, located in Anaheim, a so-called auto show was presented. There were a minimum of six Chevrolets shown, supplied by Citizens Chevrolet in Eagle Rock. The Federal Price Sticker showed \$3,356.00, and Gemco posted their price—only \$2800.00! These cars are not only being displayed at these stores, but delivered there also. How do you think my Salesforce reacts to something like this? Some of the force have already reacted. Two have quit, both 10-12 car a month men, and went with Rambler in another area. A couple more just quit and got out of the business. I don't blame them!

My General Manager, Sales Manager, and Credit Manager are at their wits end. It is disgusting for them to work a deal for one of their salesmen (of which we have 28) and not be able to close the sale because we cannot even meet the price and the 4½% financing guaranteed by these discount houses. Mr. Cole, this is a serious problem. It can spread nationwide and hurt the fine reputation Chevrolet Dealers, such as I, have taken a lifetime to develop. Someone has to put their thumb on the source right now. Will you give my sales personnel the help that they deserve?

At the same time, please remember that Chevrolet expects us to service these autos that these discount houses sell. This is like pouring salt in a wound. I cannot over-emphasize the seriousness of this problem because the only other way we can go is to join them, instead of fighting

them. This would ruin many a small dealer as you know, plus lower Chevrolet's continual higher Resale value. Our Chevrolets should not be put in the same category as washing machines, refrigerators and the like.

If you want further proof of these operations, such as pictures, testimonials, signed orders, etc., we will be more than happy to supply them. In the meantime, we will appreciate your personal attention to this matter so we may keep our present salesforce, which is doing a wonderful job even under these pressing conditions.

I wish to thank you in advance for your usual consideration and cooperation.

Respectfully yours, E. N. Hopper, President, Eddie
Hopper Chevrolet.

H/wly

[fol. 1215] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 13

EDDIE HOPPER CHEVROLET
10511 Garden Grove Boulevard
700—HEmlock 2-6411—MAdison 5-2963
Garden Grove, California

November 16, 1960.

Chevrolet Motor Division
General Motors Corporation
General Motors Building
Detroit 2, Michigan

Attention: E. N. Cole

Dear Mr. Cole:

I as a member of the sales force of Eddie Hopper Chevrolet feel it is imperative to call to your attention a very alarming problem that faces my future as a salesman to the aforementioned.

I moved to California in April 1960 from Detroit, Michigan where I was employed with Hanley Dawson Chevrolet, previous to that I was a Used Car Dealer in Detroit and Florida for seven years, prior to becoming a dealer I was a salesman (new cars) and previous to that an accountant. My record as a salesman and a dealer has always been above average. I feel I am what is known in the automobile business as a career salesman. Since moving to California I purchased my home in Garden Grove so it will be with great reluctance if it becomes necessary to move to a less competitive area.

The problem I mentioned in the first paragraph is Discount Houses. Being a Detroitter and regulated by the laws of the State of Michigan it probably is difficult for you to believe a State the size of California has the law set up so a "Bootlegger" such as these Department Store Discount Houses are allowed to operate in direct competition to legally licensed Franchised New Car Dealers. A new automobile is sold by a "Order Taker" as you would purchase a new suit of clothes or an ordinary kitchen appliance, at prices retail that would only cover a career salesmans

commission plus service fee allowing no room for a Franchised dealer to cover his burden or so called overhead. The interest rate that is being charged to customers is equal to the rate G.M.A.C. charges Mr. Hopper. My own next door neighbor purchased a automobile from a discount House.

I believe Chevrolet Motor Division has no intention of allowing this dangerous situation to continue. I as a member of the sales force of Eddie Hopper Chevrolet am very proud of the beautiful Aluminum, Glass & Brick Monster Mr. Hopper has created and hope you personally take the bull by the horns and settle this situation at your earliest convenience.

Yours very truly, Howard T. Lane.

[fol. 1216] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 14

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

Received November 16, 1960, J. M. Roche

123P EST NOV 16 60 DEA188 OB252
O SAA07% RX PD LAGUNA BEACH CALIF 16 930A PST

MR GORDON, PRES GENL MTRS CORP
GENL MTR BLDG DET

THE PRECEDENT SET BY DEALERSHIP AND SALESMAN WITH
REPEAT SALES TT OUR CUSTOMERS AND THE HANDLING OF
THEIR SERVICE PROBLEMS, HAS BECOME GREATLY IMPAIRED
BY DISCOUNT HOUSES THAT HAVE XOVED INTO OUR COUNTY.
THESE PEOPLE ARE SELLING 1960 CHEVROLETS A LITTLE OVER
THE COST OF A CHEVROLET TO AN AUTHORIZED DEALER IF
THIS PRACTICE IS NOT STOPPED AT ONCE IT WILL CAUSE ME
AS A SALESMAN TO SEEK EMPLOYMENT IN ANOTHER FIELD
OTHER THAN AUTOMOBILE SALES. I CANNOT NTR CAN ANY
OTHER SALESMAN CONTINUE TO SELL AGAINST SUCH UNFAIR
COMPETITION AS THIS. THESE PEOPLE ARE BEING SUPPLIED
WITH CARS FROM THE LARGE VOLUME DEALERS IN THE
METROPOLITAN AREAS. THE SUCCESS OF THE GENERAL MOTORS
CORPORATION WAS NOT BUILT ON SALES FROM DISCOUNT
HOUSES BUT IN AUTHORIZED CHEVROLET DEALERS AND THEIR
[fol. 1217] SALESMAN

JACK TRESCOTT 11 8 LASENDA PLACE

[fol. 1218] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 15

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams is Local Time at point of origin. Time of receipt is Local Time at point of destination

110A EST NOV 16 60 DEB043 OA041
O SAA528 NL PD TDSA ORANGE CALIF 15

JACK GORDON GENERAL MOTORS CORP
DET

WE THE UNDERSIGNED SALESMEN OF SELMAN CHEVROLET ORANGE CALIF WISH TO REGISTER A PROTEST AGAINST THE PRACTICE OF RETAILING NEW AUTOMOBILES THROUGH DISCOUNT HOUSES THIS PRACTICE IS WIDE SPREAD IN ORANGE COUNTY AND IS DETRIMENTAL TO US INDIVIDUALLY AS PROFESSIONAL SALESMEN PARALIZING TO THE LOCAL DEALERS AND IN THE LONG RUN NOT IN THE BEST INTEREST OF EITHER THE CUSTOMER OR GENERAL MOTORS

HOWARD GOODWIN, IRA ARMSTRONG, RALPH CARNES, ROSS BENSON, PAUL SEMS, FLOYD CARRIKER, CLINT GOFORTH, GEO LANE, GLEN RILEY, CHAS MULVEY, JAMES ELLIS, PALMER HINES.

[fol. 1219] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 16

DETROIT

I HAVE DISCUSSED OUR PHONE CONVERSATION WITH MESSRS CASH AND O'CONNOR. MR O'CONNOR WILL PERSONALLY MEET WITH DLR AND SALESMEN OF SELMAN CHEV ORANGE, CALIF. TOMORROW COMPLETE REPORT, AS YOU REQUESTED, WILL BE SENT YOU MONDAY
BEST REGARDS

F M THOMPSON CHEV

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Volume II
TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965

No. 46

UNITED STATES, APPELLANT,

vs.

GENERAL MOTORS CORPORATION ET AL.

**APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF CALIFORNIA**

FILED JANUARY 11, 1966

PROBABLE JURISDICTION NOTED

(Page 641 of 1200)



SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965

No. 46

UNITED STATES, APPELLANT,

VS.

GENERAL MOTORS CORPORATION ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF CALIFORNIA

Volume II

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No. 18—Memorandum to File (Chevrolet-Central Office) from L. H. Averill, dated November 18, 1960	1223	644
No. 19—Letter to Edward Cole, General Motors, from Stanley O. Drake, dated November 18, 1960	1224	645
No. 20—Handwritten letter to Mr. Cole from Jack Stuh of Eddie Hopper Chevrolet, dated November 18, 1960	1225	646
No. 21—Letter to Edward Cole from Dick Pruszynski, Salesman at Don Steves Chevrolet... ..	1227	647
No. 22—Inter-Organization letter to L. N. Mays, Chevrolet Central Office, from R. M. O'Connor, Los Angeles Zone Office, dated November 22, 1960	1228	649
No. 23—Letter to Edward Cole, General Manager, Chevrolet Motor Division, from Art Taylor, dated November 22, 1960	1231	652

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No. 27—Telegram to Jack Gordon, President, General Motors, from Kenneth R. Field, Chevrolet Salesman with Cone Bros. Chevrolet, dated November 22, 1960.....	1234	654
No. 28—Telegram to Jack Gordon from W. K. Banks, Salesman, dated November 22, 1960...	1235	655
No. 29—Telegram to Jack Gordon from Ray Berney, Salesman, dated November 22, 1960.....	1236	656
No. 30—Telegram to Jack Gordon from Leo Kluthe, dated November 22, 1960.....	1237	657
No. 31—Telegram to Jack Gordon from R. W. Hughes, Cone Bros. Chevrolet, dated November 22, 1960.....	1238	658
No. 32—Telegram to Jack Gordon from Hal Beebe dated November 22, 1960.....	1239	659
No. 33—Telegram to Jack Gordon from Al Phillips, Chevrolet Salesman with Cone Bros. Chevrolet, dated November 22, 1960.....	1240	660
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No. 35—Letter to John Gordon, from C. D. Cone, President, Cone Chevrolet Company, dated November 23, 1960.....	1243	662
No. 36—Letter to E. N. Cole from C. D. Cone, President, Cone Chevrolet Company, dated November 23, 1960.....	1244	663
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No. 38—Letter to R. M. O'Connor from C. D. Cone, President, Cone Chevrolet Company, dated November 23, 1960.....	1246	665
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No. 42—Inter-Organization Letter from L. N. Mays, Assistant General Sales Manager for the West, Chevrolet Motor Division, to H. E. Crawford, dated November 25, 1960.....	1250	669
No. 43—Letter to J. F. Gordon from E. L. Lindemann, Salesman, Harbor Chevrolet, dated November 25, 1960.....	1251	670
No. 44—Letter to E. N. Cole from E. L. Lindemann, Salesman, Harbor Chevrolet, dated November 25, 1960.....	1253	672
No. 46—Handwritten letter to Mr. Cole from Bob Erskine, Bob Erskine Chevrolet, dated November 25, 1960, with news clipping attached...	1255	674
No. 48—Handwritten letter to J. F. Gordon from James Seidlitz, Manager, Harbor Chevrolet, received November 30, 1960.....	1256	676
No. 49—Handwritten letter to E. N. Cole from James Seidlitz, Manager, Harbor Chevrolet, dated November 26, 1960.....	1257	677
No. 50—Letter to E. N. Cole from Blane Peart, dated November 27, 1960, with carbon copies to J. F. Gordon, and K. E. Staley.....	1258	679
No. 52—Handwritten letter to K. E. Staley from Daniel R. McGowan, Salesman, Harbor Chevrolet, dated November 27, 1960.....	1259	680
No. 53—Handwritten letter to E. N. Cole from Daniel R. McGowan, Salesman, Harbor Chevrolet, dated November 27, 1960.....	1261	682
No. 54—Handwritten letter to J. F. Gordon from Omer L. Bernard, Salesman, Harbor Chevrolet, dated November 27, 1960.....	1262	683
No. 60—Handwritten memo to L. N. Mays from K. E. Staley, undated.....	1263	684
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No. 62—Handwritten letter to J. F. Gordon from Buck Pryor, Harbor Chevrolet, dated November 28, 1960.....	1265	685
No. 65—Handwritten letter to J. F. Gordon from W. E. Daley, Harbor Chevrolet, dated November 28, 1960.....	1267	686
No. 68—Handwritten letter to K. E. Staley from "Corny" Cline, Salesman, Harbor Chevrolet, dated November 28, 1960.....	1268	687
No. 69—Handwritten letter to Mr. Cole from Letton H. Lapley, Eddie Hopper Chevrolet, undated with attachment.....	1272	689

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No. 73—Handwritten letter to K. E. Staley from Phil Chauvin, Salesman, Harbor Chevrolet, dated November 28, 1960	1275	691
No. 74—Handwritten letter to E. N. Cole from Ed Lundberg, Salesman, Harbor Chevrolet, dated November 28, 1960	1276	692
No. 75—Handwritten letter to J. F. Gordon from R. D. McGowan, Salesman, received November 30, 1960	1277	693
No. 76—Handwritten letter to E. N. Cole from R. D. McGowan, Salesman, dated November 28, 1960	1278	694
No. 77—Handwritten letter to K. E. Staley from R. D. McGowan, Salesman, dated November 28, 1960	1279	695
No. 78—Handwritten letter to K. E. Staley from Bert Beria, Salesman, Harbor Chevrolet, dated November 28, 1960	1280	696
No. 79—Handwritten letter to J. F. Gordon from Norman J. Flynn, Salesman, received December 2, 1960	1281	697
No. 80—Handwritten letter to E. N. Cole from Norman J. Flynn, Salesman, received December 2, 1960	1282	698
No. 83—Letter to J. F. Gordon from C. F. Henson, President, Harbor Chevrolet, dated November 28, 1960 with attachment	1283	699
No. 85—Letter to K. E. Staley from C. F. Henson, President, Harbor Chevrolet, dated November 28, 1960 with attachment	1286	703
No. 86—Letter to Messrs. Gordon, Cole, and Staley, General Motors, from Glenn Jones, President, Drew-Jones Chevrolet, dated November 28, 1960, with enclosure	1290	707
No. 87—Letter to Jack Gordon from F. J. Gledhill, President, Fred Gledhill Chevrolet, dated November 28, 1960	1293	711
No. 90—Letter to Ed Cole from Bill Barnett, Bill Barnett Chevrolet, dated November 28, 1960, with copies of Fedco and Gemco ads	1294	712
No. 91—Inter-organization memo to L. N. Mays from K. E. Staley, Chevrolet Motor Division, dated November 30, 1960	1298	719

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No. 95—Letter to E. N. Cole from Donald J. Corrigan, President, S. & J. Chevrolet, dated November 30, 1960	1301	723
No. 96—Letter to "Gentlemen" from R. M. Gilbert, Sales Representative, Bill Barnett Chevrolet, dated December 2, 1960	1302	724
No. 97—Letter to "Gentlemen" from A. P. Hofkins, Sales Representative, Bill Barnett Chevrolet, dated December 2, 1960	1303	724
No. 98—Letter to "Gentlemen" from Don Teague, Sales Representative, Bill Barnett Chevrolet, dated December 2, 1960	1304	725
No. 99—Letter to "Gentlemen" from Byron J. Booker, Sales Representative, Bill Barnett Chevrolet, dated December 2, 1960	1305	725
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No. 103—Letter to "Gentlemen" from Norm Christoffersen, Sales Representative, Bill Barnett Chevrolet, dated December 2, 1960	1309	728
No. 106—Letter to Bob O'Connor from C. D. Cone, President, Cone Chevrolet Co., dated December 6, 1960	1310	729
No. 107—Letter to John Gordon from Harry M. Ostrom and Harold Ostrom, Partners, Harry M. Ostrom and Son Chevrolet, Montebello, Calif., dated December 6, 1960	1311	730
No. 111—Letter to E. N. Cole from Owen Keown, Owen Keown Chevrolet Company, dated December 6, 1960	1312	731
No. 112—Letter to E. N. Cole from Frank K. Swift, Jr., Seaboard Motors, dated December 7, 1960	1313	733

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Plaintiff's Exhibits—Continued

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No. 114—Memorandum to K. E. Staley from L. N. Mays, Chevrolet Central Office, in re Discount House Activities, dated December 12, 1960, with attached "Resume of Discount House Activities", signed by S. G. Gilliatt and dated December 7, 1960	1314	734
No. 115—Letter to "General Sales Managers, U.S. Car Divisions" from H. E. Crawford, dated December 15, 1960	1319	739
No. 116—Duplicate of Exhibit No. 115, with attached letter to C. F. Henson, President, Harbor Chevrolet, from J. M. Roche, Vice-President, General Motors, dated December 15, 1960	1320	741
No. 117—Inter-Organization letter to R. M. O'Connor from L. H. Averill, dated December 16, 1960	1326	747
No. 118—Memorandum to Mr. Cash from R. D. Lund, dated December 16, 1960	1328	749
No. 119—Letter to R. M. O'Connor from Martin Pollard, dated December 17, 1960	1329	750
No. 120—Memorandum to R. M. Cash, Chevrolet Regional Manager, Pacific Coast, from L. H. Averill, Executive Assistant to General Sales Manager, Chevrolet, dated December 20, 1960	1331	752
No. 121—Memorandum dated December 29, 1960, to Regional and Zone Managers, subject, "Discount House Operations", with attachment: Letter "To All Chevrolet Dealers" from K. E. Staley, General Sales Manager, Chevrolet Motor Division, dated December 29, 1960	1332	753
No. 122—Letter to K. E. Staley from Jack Coyle, Jack Coyle Chevrolet, dated January 4, 1961	1337	758
No. 123—Letter to K. E. Staley from D. C. Stachler, Stack Chevrolet, dated January 5, 1961	1339	760
No. 125—Letter to Jack L. Coyle, Jack Coyle Chevrolet, from K. E. Staley, dated January 10, 1961	1340	761
No. 126—Letter to Gene Staley from Harry A. Mann, Harry Mann Chevrolet, dated January 12, 1961	1341	763
No. 127—Inter-Organization letter to L. H. Averill, Central Office, Detroit, from R. M. O'Connor, Los Angeles, subject: "Sales to discount houses, referrals, etc.", dated January 17, 1961, with copies to Mays and Cash	1342	764

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Plaintiff's Exhibits—Continued

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No. 129—Letter to K. E. Staley from Allen Gwynn, Allen Gwynn Chevrolet, dated January 21, 1961	1346	768
No. 130—Letter to K. E. Staley from Bill Barnett, Bill Barnett Chevrolet, dated January 25, 1961	1347	769
No. 131—Letter to Gene Staley from C. D. Cone, President, Cone Chevrolet Co., dated January 25, 1961	1348	770
No. 132—Letter to K. E. Staley from Frank K. Swift, Jr., Seaboard Motors, dated January 26, 1961	1349	771
No. 133—Letter to Jere C. Faust from E. N. Hopper, President, Eddie Hopper Chevrolet, dated January 26, 1961	1350	772
No. 134—Letter to Bob O'Connor from C. D. Cone, Cone Chevrolet Co., dated January 26, 1961	1352	774
No. 135—Letter to Jim Roche, Vice-President, General Motors, from Don Steves, Don Steves Chevrolet, dated February 1, 1961	1353	775
No. 136—Letter to R. M. O'Connor from Marty Lockney, President, Guaranty Chevrolet Motors, dated February 4, 1961	1354	776
No. 138—Memo on letterhead of Losor Chevrolet Dealers Association, signed by Evelyn G. Davis, with attachments	1355	777
No. 139—Extract from Minutes of 16th President's Dealer Advisory Council, February 14, 15, and 16, 1961—Remarks by William G. Nugent, A. E. Nugent Chevrolet, Los Angeles	1362	786
No. 140—Letter to Gene Staley from E. H. Colliau, Colliau Chevrolet, dated February 15, 1961	1363	787
No. 141—Handwritten memo "To Whom It May Concern" signed by Inez Oelwein, dated February 25, 1961, with attachments	1364	789
No. 142—Letter to Bob O'Connor from Bob Erskine, Bob Erskine Chevrolet, dated March 3, 1961	1374	795
No. 143—Letter to Gene Staley from E. H. Colliau, Colliau Chevrolet, dated March 17, 1961	1375	796

Record from the United States District Court for the
Southern District of California, Central Division—
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Plaintiff's Exhibits—Continued

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No. 147—Letter to Dealers Diversified Services, Inc. (FEDCO) from Warren Biggs, Warren Biggs Chevrolet, dated October 13, 1960.....	1380	802
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No. 152—Letter to Dealers Diversified Services, Inc. (FEDCO) from Cecil R. Glover, Bruder Chevrolet, dated October 1, 1960.....	1383	805
No. 153—Letter to Dealers Diversified Services, Inc. from Cecil R. Glover, General Manager, Bruder Chevrolet, dated January 3, 1961....	1384	806
No. 158—Letter to Jim Deupie, Dealers Diversified Services, Inc., from James M. Snow, Sales Manager, Parkwood Chevrolet, dated May 25, 1957.....	1385	807
No. 162—Letter to Dealers Diversified Services, Inc., from G. V. Jones, Glenn Jones Chevrolet, dated January 13, 1960, with attachments...	1386	809
No. 163—Letter to Joan Miller, Dealers Diversified Services, Inc. (FEDCO), from W. S. Newman and Bill Spoo, Citizens Chevrolet, dated September 20, 1958.....	1388	813
No. 170—Letter to R. M. O'Connor from J. N. Armour, Business Manager, Eddie Hopper Chevrolet, dated June 9, 1960, with postscript by F. N. Hopper, President, and attachment..	1389	815
No. 171—Minutes of Meeting of Losor Chevrolet Dealers Association, held June 28, 1960.....	1392	818
No. 172—Minutes of Meeting of Losor Chevrolet Dealers Association, held July 26, 1960.....	1394	820
No. 173—Minutes of Meeting of Losor Chevrolet Dealers Association, held September 27, 1960..	1395	821
No. 174—Minutes of Meeting of Losor Chevrolet Dealers Association, held October 27, 1960....	1397	823
No. 175—Minutes of Meeting of Losor Chevrolet Dealers Association, held November 10, 1960..	1398	824

Record from the United States District Court for the
Southern District of California, Central Division—
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Plaintiff's Exhibits—Continued

	Original	Print
No. 176—Letter to Losor Dealer Members from Board of Directors, Losor Chevrolet Dealer's Association, dated January 26, 1961.....	1399	825
No. 177—Minutes of Meeting of Losor Chevrolet Dealers Association, held April 6, 1961.....	1400	826
No. 178—Minutes of Directors' Meeting of Dealers' Service Inc., held December 21, 1960	1401	827
No. 184—Letter to Jerry Faust from C. D. Cone, Cone Brothers Chevrolet, dated June 22, 1960, with attachment.....	1403	829
No. 185—Presentation of Discount House Activities, Distribution Policy Group Meeting, Wednesday, December 21, 1960.....	1405	833
No. 186—Shopping Report for Month of April 1961	1426	841
No. 187—List of discount houses found to be selling, or not to be selling, 1961 Chevrolets..	1431	848
No. 189—Shopping Reports of April 6 and 7, 1961	1432	849
No. 190—Statement of Russ De Orto, May 23, 1961	1433	850
No. 191—Report re various discount houses, etc.	1435	852
No. 192—Report re Union Store, Montclair....	1440	857
No. 193—Report re Brockway Plan plus business card and handwritten notes.....	1443	859
No. 195—Letter to Glenn S. Roberts, Los Angeles, from E. H. Colliau, dated March 4, 1961.....	1447	862
No. 196—Letter to Glenn Roberts, Los Angeles, from Bob Erskine, Bob Erskine Chevrolet, dated March 6, 1961.....	1448	863
No. 197—Letter to Glenn S. Roberts, Los Angeles, from Robert Sorensen, Community Chevrolet, dated March 6, 1961.....	1449	864
No. 198—Letter to Owen Keown, President, Owen Keown Chevrolet, from K. E. Staley, dated December 16, 1960.....	1450	865
No. 200—Letter to All Chevrolet Dealers from K. E. Staley, General Sales Manager, Chevrolet Motors Division, dated August 1, 1960, with attached letter of instructions addressed to All Chevrolet Wholesale Personnel from K. E. Staley, dated July 29, 1960	1455	870

Record from the United States District Court for the
Southern District of California, Central Division—
Continued

Plaintiff's Exhibits—Continued

	Original	Print
No. 201—Inter-Organization letter to H. E. Crawford from L. N. Mays, Assistant General Sales Manager for the West, Chevrolet Motor Division, re Discount House Activity Pacific Coast Region, dated January 18, 1961.....	1458	873
No. 212—Looseleaf booklet entitled, "Prepared by Statistical Tabulating Corporation"—contains "print out" listing all 1960 sales of Chevrolets by seven dealers who sold through discount houses and referral services.....	1460	876

Volume III

No. 287—Chart showing 1960 Chevrolet Dealer Volume in Los Angeles metropolitan area....	1810	1229
No. 290—Letter to Robert O'Connor from Phil Johnston, College Chevrolet, Inc., dated March 21, 1961.....	1812	1231

DEFENDANTS' EXHIBITS:

A—Map of Chevrolet-Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer and discount house locations (Stipulation of Facts Number Three) (See Clerk's note.).....	1813	1232
B—Map of Chevrolet-Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer, Ford (Ford, Mercury, Comet) dealer, Chrysler (Plymouth, Dodge) dealer, Rambler dealer, Studebaker dealer, and Volkswagen dealer locations (Stipulation of Facts Number Three) (See Clerk's note.).....	1813	1232
C—Listing of Chevrolet dealers and identifying numbers for Defendants' Exhibits A and B (Stipulation of Facts Number Three) (Blue Dots)	1814	1233
D—Listing of discount houses and referral services and identifying numbers for Defendants' Exhibit A (Stipulation of Facts Number Three) (Red Dots).....	1821	1238
J—Tabulation from Defendants' Exhibit B by identifying number showing each Chevrolet dealer, Ford dealer, Chrysler dealer, Rambler dealer, Studebaker dealer and Volkswagen dealer located within a five mile radii of each Chevrolet dealer indexed in Defendants' Exhibit C.....	1824	1240

Record from the United States District Court for the
Southern District of California, Central Division—
Continued

Defendants' Exhibits—Continued

	Original	Print
AA—Stipulation of Facts Number Two, dated May 20, 1964, with attachments—Gemco Auto Show—Discount house ads (excerpts).....	1846	1261
AP—Dealers Diversified Services, Inc. letter of instructions to cooperating dealers—undated..	1879	1293
AQ—Letter to J. H. Connell from L. N. Mays, dated November 23, 1960.....	1880	1295
AR—Letter to K. E. Staley from Frank Green, dated December 2, 1960, with attached copy of Auto Dealers Business Letter dated December 2, 1960.....	1881	1296
AS—Letter to Frank Green from J. M. Roche, dated December 15, 1960.....	1885	1301
AV—Inter-Organization letter to All Car Divisions from J. M. Roche, dated December 28, 1960, with attached letters "To All (Cadillac, Buick, Chevrolet, Oldsmobile and Pontiac) Dealers", dated December 30, 1960.....	1887	1303
AW—Inter-Organization letter to J. M. Roche from K. E. Staley, dated December 29, 1960..	1905	1324
AX—Letter to John S. Gordon from James Fahy and Virgil Dunn, dated February 15, 1961....	1906	1325
AY—Inter-Organization letter to Lawrence Averill from A. H. Belfie, dated March 23, 1961, with attached copy of letter to James Fahy and Virgil Dunn, Fleet Sales Company, from A. H. Belfie, dated March 23, 1961.....	1907	1326
AZ—Stipulation of Facts Number Three, dated May 20, 1964, re Defendants' Exhibits A through J.....	1911	1329
BA—P-W Exhibit—Summary of Profitability in the Service and Parts Departments in 1960 for the 76 Los Angeles Metropolitan Area Chevrolet Dealers.....	1917	1333
BB—P-W Exhibit—Estimated Reduction in New Car Volume to Eliminate all Profit for Volume Classes of Los Angeles Metropolitan Area Chevrolet Dealers.....	1918	1333
BC—P-W Exhibit—Estimated Reduction in New Car Selling Price to Eliminate all Profit for Volume Classes of Los Angeles Metropolitan Area Chevrolet Dealers.....	1919	1334

Record from the United States District Court for the
Southern District of California, Central Division—
Continued

Defendants' Exhibits—Continued	Original	Print
BD—P-W Exhibit—Median Gross Profit per New Chevrolet Passenger Car Sold in 1960 by Los Angeles Metropolitan Area Chevrolet Dealers Who Sold Through Discount Houses or Referral Services	1920	1334
BE—P-W Exhibit—Reprint from Collier's—taken from HIRSCH, Introduction to Modern Statistics, p. 45	1921	1335
BF—P-W Exhibit—Graph: 1960 Combined Gross Profit for New and Used Car Departments (Based on 1960 Financial Statements of the 73 Los Angeles Metropolitan Area Chevrolet Dealers)	1922	1337
BG—P-W Exhibit—Graph: 1960 Combined Gross Profit for Service and Parts Departments (Based on 1960 Financial Statements etc.)	1923	1338
BH—P-W Exhibit—Graph: 1960 Net Miscellaneous Income of the Entire Dealership (Based on 1960 Financial Statements etc.)	1924	1339
BI—P-W Exhibit—Graph: 1960 Combined Variable Selling Expenses for the New and Used Car Departments (Based on 1960 Financial Statements etc.)	1925	1340
BJ—P-W Exhibit—Graph: 1960 Combined Semi-fixed Expenses of the New and Used Car Departments (Based on 1960 Financial Statements etc.)	1926	1341
BK—P-W Exhibit—Graph: 1960 Combined Semi-fixed Expenses of the Service and Parts Departments (Based on 1960 Financial Statements etc.)	1927	1342
BL—P-W Exhibit—Graph: 1960 Fixed Expenses of the Dealership (Based on 1960 Financial Statements etc.)	1928	1343
BM—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 300 New Car Volume Class	1929	1345
BN—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 400 New Car Volume Class	1930	1346
BO—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 500 New Car Volume Class	1931	1347

Record from the United States District Court for the
Southern District of California, Central Division—
Continued

Defendants' Exhibits—Continued

	Original	Print
BP—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 600 New Car Volume Class	1932	1348
BQ—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 700 New Car Volume Class	1933	1349
BR—P-W Exhibit—Graph: 1960 New Retail Passenger Car Sales Receipts (Based on 1960 Financial Statements of the 73 Los Angeles Metropolitan Area Chevrolet Dealers)	1934	1351
BS—P-W Exhibit—Graph: 1960 Sales Commissions on the New Cars (Based on 1960 Financial Statements etc.)	1935	1352
BT—P-W Exhibit—Effect of Reductions in Selling Prices of New Chevrolets upon Los Angeles Metropolitan Area Chevrolet Dealers of Various Volume Classes	1936	1353
BU—Chevrolet Dealers in Los Angeles Metropolitan Area Within 5 Miles of Each of the Discount Houses and Referral Services Shown on Defendants' Exhibit A	1937	1354
BW—Distribution of Franchised Chevrolet Dealers by New Passenger Car and Truck, Volume Groups 1960, Chevrolet Los Angeles Metropolitan Area	1938	1354
BX—Distribution of Franchised Chevrolet Dealers by New Passenger Car and Truck Volume Groups, 1960, Chevrolet Los Angeles Zone ...	1939	1355
BZ—Distribution of 85 Franchised Chevrolet Dealers in the Chevrolet Los Angeles Metropolitan Area by Number of Other Franchised New Car Dealers Located Within a Radius of 5 Miles from Their Places of Business	1940	1355
CA—Chart dated March 7, 1962, prepared by Dealer Organization & Analysis Dept. showing National Price Class Performance of Chevrolet and Other Makes for the Years 1922 through 1961	1941	1357
CD—Letter to Owen Keown from K. E. Staley, dated December 16, 1960	1942	1359

Record from the United States District Court for the
Southern District of California, Central Division—
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	Original	Print
Reporter's transcript of proceedings, August 24, 1964	1946a	1364
Opinion, Carr, J.	1946b	1364
Findings of fact and conclusions of law, September 14, 1964.	1947	1373
Judgment	1985	1400
Notice of entry of judgment.	1987	1401
Notice of appeal to the Supreme Court of the United States	1988	1402
Order noting probable jurisdiction.	1990	1403

[fol. 1220] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 17

INTER-ORGANIZATION LETTERS ONLY

Received November 18, 1960

Chevrolet-Oakland

Division of General Motors Corporation, Oakland

To: Mr. R. M. O'Connor, Los Angeles

From: Fred M. Thompson, Los Angeles

Dear Mr. O'Connor:

November 17, 1960.

Mr. Mays talked to me this morning in your absence on the subject of the discount house operations in our area. He mentioned specifically that John Connell had written Mr. Staley on this subject and that just this morning Mr. Cole received the attached wire from the salesmen of Selman Chevrolet, Orange, California.

Mr. Mays requested that someone in top Zone management meet with the dealer and the salesmen at Orange, either today or tomorrow and review our position with respect to this type of operation with them and also to see if they could furnish any additional information about the discount houses that we do not already have.

He further requested that you immediately send him a detailed report of the discount house operations in this area and specifically requested information as to the dealers who are furnishing merchandise to the discount houses, as well as what action we in the Zone are taking to curb such sales.

He stated that this matter had apparently reached such proportions that Central Office wished to review the entire matter possibly with the legal department to see if they could be of some assistance to us in this connection.

I discussed this matter with Mr. Cash so that he would be informed and sent the attached teletype to Mr. Mays.

Very truly yours, Fred M. Thompson, City Manager
—North.

FMT:pk

cc: Mr. R. M. Cash, Attachments

[fol. 1221]

WESTERN UNION.

SENDING BLANK

Call Letters: FKQ—PD

Charge to: Chevrolet Motor Divn.

Fax Los Angeles Calif.

Edward J. Cole
Detroit

November 17, 1960.

We the undersigned salesmen of Selman Chevrolet, Orange, California, wish to register a protest against the practice of retailing new automobiles through discount houses. This practice is widespread in Orange County and is detrimental to us individually as professional salesmen, paralyzing to the local dealers and in the long run not in the best interests of either the customer or General Motors.

(Signed) Howard Goodwin, Ira Armstrong Ralph
Carnes

Send the above message, subject to the terms on back hereof, which are hereby agreed to.

Please Type or Write Plainly Within Border—Do Not Fold.

[fol. 1222]

WESTERN UNION

SENDING BLANK

Call Letters FKQ—PD

Charge To: Chevrolet Motor Divn.

Fax Los Angeles, Calif.

page 2

Edward J. Cole

November 17, 1960.

Ross Benston, Paul Sems, Floyd Carriker, Clint Goforth, George Lane, Glen Riley, Charles Mulvery, James Ellis, Palmer Hines.

Send the above message, subject to the terms on back hereof, which are hereby agreed to.

Please Type or Write Plainly Within Border—Do Not Fold.

1269—(R 4-55)

[fol. 1223] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 18

CHEVROLET-CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

November 18, 1960.

Memorandum To File

Subject: Discount Houses

Discount Houses—Orange and Laguna Beach

1. Letter and ad from Miller Chevrolet Co., 11/11/60.
2. Mr. Cole received wire signed by 12 salesmen—Selman Chevrolet, Orange—wire dated 11/16/60.

Mr. Mays telephoned Fred Thompson, City Manager.

Bob O'Connor, Los Angeles Zone Manager, holding meeting with Dealer and salesmen at Selman Chevrolet, Orange, California, today 11/18/60.

Complete investigation of Discount House activities in area is being made. Report of same will be mailed to Central Office Monday.

Mr. Mays calling O'Connor this morning advising him of wires received by Mr. Gordon, to further assist Zone investigation.

Laguna Beach—Lawrence Boone, Harrison Jameson, Jr., Jack Trescott.

Discount Houses—reported to be checked
Fleet Sales, Gem Co., C & A.

Schreitmuehler has file on Gem Co. covering operations in St. Louis, Mo., and Washington, D.C. area. We have asked for guidance.

L. H. Averill.

[fol. 1224] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 19

La Habra, California

November 18, 1960

Mr. Edward Cole,
c/o General Motors, Chevrolet Div.
Detroit, Mich.

Dear Mr. Cole:

I am a Sales Manager in this Chevrolet Dealership and thought I would write you a letter to tell you the effect of Discount House selling of Chevrolet Products is having on my position in this Dealership.

It is becoming increasingly hard to hire good salesmen to devote their entire time to the business of selling Chevrolets because above mentioned discount houses are making it very hard to hold sufficient gross profit per unit to allow a proper commission to be paid so that good Salesmen can make as much money as they can in other fields.

Thanking you for your consideration. I Remain,

Yours Very Truly, Stanley O. Drake, Sales Manager.

[fol. 1225] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 20

November 18-60.

Dear Mr. Cole:

I am writing this letter at the request of my family because they are depending on me to make a living as a Chevrolet salesman. Although I am still employed(?) as a salesman at Eddie Hopper's Chevrolet in Orange County my sales and income has been cut in half. The majority of people that come in that are interested in a new Chevrolet just want to prove to themselves that they can make a better deal by buying through a local discount house. As you can imagine the seven discount houses in this area are selling new cars cheaper than an authorized Chevrolet agency. [fol. 1226] I feel certain unless something is done about the discount houses immediately myself and many other new car salesmen like me will have to go to work (in some other field). Lets not let this happen. Lets stop the supply of new Chevrolets to these discount houses. Most important Lets do it now.

Thanking you in advance for your consideration in this matter.

Thanx, Jack Steele, Eddie Hopper Chevrolet, Orange County, California.

[fol. 1227] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 21

Mr. Edward Cole
c/o General Motors Chevrolet Div.
Detroit, Michigan.

Dear Sir,

I am a Chevrolet salesman at Don Steves Chevrolet in La Haba, Calif. My living depends on Chevrolet automobiles and their sales. We have a fine lineup and it should be a good year for all connected with Chevrolet.

Until just recently I was under the impression that Chevrolet franchise was very exclusive and something to be real proud of. We, Chevrolet sales force have made the Chevrolet the number one seller in the country. Sound business practices and a good product kept the resale value up and we were out ahead of all competition. Average commission on a new Chevrolet at \$80.00 is fine. However, I have had people come in and tell me that they have my deal beat by a mile. At first I could not believe it because no legitimate Chevrolet dealer would sell or could afford to sell the car for any less profit and still be able to service the car after sale. That's when the word Discount House came into the conversation.

This is a shame. Discount Houses are selling Chevrolets. It must be stopped at once. The Discount Houses will not only take our bread and butter away from the Chevrolet sales force, but they will also ruin the reputation of Chevrolet itself. It is unfair and it must be brought to a halt.

In the first place Discount Houses have no service facilities to carry out the much advertised 12,000 mile warranty and after sales service. Secondly they are known for inferior quality merchandise "bargains" and we don't want the number one car in the nation to be included in that category.

We have put a lot of effort to keep Chevrolet's name clean and we don't want to have it smeared by a bunch of shaysters connected with Discount House operations.

Please look into it and clean up this undermining situation. Our lives depend on Chevrolet's name and sales. Your end of the business depends on Chevrolet's reputation and repeat sales as well.

Very truly yours, Dick Pruszyński.

[fol. 1228] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 22

Inter-Organization Letters Only

Received 11-25-60

To: Mr. L. N. Mays, Central Office

From: R. M. O'Connor, Los Angeles Zone

November 22, 1960.

This is with reference to your telephone request regarding the discount house operation in Southern California. This business is commonly known among dealers as referrals and has existed in the Los Angeles Zone for the past eight years and the sales on the part of the discount houses are not confined exclusively to Chevrolet products, but rather on an industry basis. The majority of these operations are confined presently to Los Angeles and Orange Counties, however, they in recent months are developing in more and more areas as well as expanding their operations in Orange County.

Among the more prominent are:

Fedco, 14920 Raymer, Van Nuys
Fedmart, 500 North Mueller, Anaheim
Leonards, 12891 Harbor Boulevard, Garden Grove
C.M.A., 1440 South Los Angeles, Anaheim
Gemco, 9700 Lincoln, Anaheim
A.B.C., 3328 Balsa, Santa Ana
White Front, 2222 South Harbor, Anaheim

In Ontario there is the Union Store, San Bernardino—F.O.R.E. and a newly opened outlet in Bakersfield known as Martin's Discount; Fedco also has stores in Lakewood and Los Angeles; Leonards also in Culver City (600 No. Sepulveda Blvd.), El Segundo, Inglewood and Westwood.

This type of business, on a strictly referral basis, is frequently quite profitable for the dealer who has only one account and retains control of all deals.

This, however, is in contrast with the consignment type of operation where the discount house itself handles the

transaction. Reference to the attachments will indicate the gross profit differential.

We find that the discount houses and their salesmen have no difficulty obtaining a new car or used car sales license once they establish their Automotive Department and usually they can easily obtain a new car franchise on a foreign import, regardless of the limitations of their facilities.

The main source of supply on Chevrolets has been from the following dealers:

[fol. 1229] Howell Chevrolet	Glendale, California
Allen Gwynn	Glendale, California
Cormier Chevrolet Company	Long Beach, California
Citizens' Chevrolet Co.	Eagle Rock, California
Ernie Porter Chevrolet, Inc.	Pasadena, California
Robert Hall Chevrolet, Inc.	Tujunga, California
Bruder Chevrolet	Hollywood, California
Warren Biggs Chevrolet	Los Angeles, California

In every case where Chevrolet dealer activity in connection with discount house sales has been brought to our attention, Zone Management, including myself, the three City Managers and the Assistant Zone Manager, as the case may be, have discussed and counseled this matter with all of the dealers engaged in referral or discount house business, in an attempt to have them desist.

We have approached the situation from the standpoint of good business practice and ethical principles, pointing out the seriousness of the threat that exists in this matter to the franchise system of distribution. Our Dealer Associations have formed a committee to call on the supplying dealers and have asked them and have attempted to persuade them to discontinue this practice. Associations have also appointed a legislative committee to seek legislative action which could prohibit this type of merchandising.

Our experience in shopping at the discount houses, from the standpoint of policy and warranty work, indicates that our regular Policy and Warranty Booklet is furnished with each purchase and the customer is told that any Chevrolet dealer will honor the warranty and correct any defects. Further, that if a Chevrolet dealer refuses to do so, a call to the factory will force them to do the work. Many dealers, however, will not service new cars purchased through dis-

count houses, resulting in unhappy owners. This does not take the form of a direct refusal, but usually is an indication to the owner that the shop is just too busy to accommodate him.

During the past year the volume of business handled by these discount outlets has reached rather serious proportions. We have reliable information to the fact that Gemco, in particular, averages over one hundred units of all makes per month.

However, we believe many dealers will cease this type of business if they had any assurance that the account would not be picked up by some other dealer, immediately upon relinquishment.

We feel that most of the attachments enclosed are self-explanatory, but one comment is in order on the letter from Mr. Warren Biggs. We do not have the dealer's permission to forward this letter, but we feel it is important for your considerations in the light of the seriousness of this situation. We also refer you to our letter and attachments of November 16, to Mr. Greig regarding an apparent patent infringement on the part of F.O.R.E.

[fol. 1230] We are in process of securing the transcript of the case of the Union Store as an example of the failure of the California Department of Motor Vehicles to take either punitive or constructive action with regard to the discount house merchandising of new automobiles. This will be forwarded later.

For your information, I reviewed our position with respect to this type of operation with the entire sales organization at Selman Chevrolet, Orange, California on November 18. Our Assistant Zone Manager will discuss this matter with the salesmen at Tommy Ayres Chevrolet, Laguna Beach on November 23.

The above outline and attachments furnishes you with all the information we have available at this time and we have also described what action we have taken to curb or restrict such sales.

Please advise if there is any further information you require.

Very truly yours, R. M. O'Connor, Zone Manager.

RMO'C:dg

Attach.

[fol. 1231] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 23

November 22, 1960.

Mr. Edward Cole, General Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Mr. Cole:

Here is only one of many letters you have probably already received in the protest of the discount houses.

So you know what it is doing to the motor car business, and my own *income*.

You are the only one that can stop this sort of bad business. The discount houses are only making us Chevrolet Salesmen a laughing stock of this business that you and I both are in.

I am sure that you and your cohorts will take the necessary steps to stamp out this sort of bad business ethics.

Yours truly, Art Taylor.

AT:am

[fol. 1232] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 25

Mon., 11/28/60.

K.E.S.

Your copy of Mr. Steves letter went to Mr. Mays this morning with a note from you asking him to give you a report on the "discount house" activities.

M.W.

[fol. 1233] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 26

DON STEVES CHEVROLET

401 West Whittier Blvd
La Habra, California

OWen 7-6705

1960, Nov. 25, A.M., 11:04, Office of General Manager

November 22, 1960.

Mr. Ed Cole, General Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Mr. Cole:

The subject of discount houses selling new Chevrolets was discussed at some length at our recent Losor Chevrolet Convention. The condition in Orange County, particularly, is so deplorable that it was finally decided that each dealer would write to you for help in cleaning up this condition.

Surely you can realize that a discount house selling new Chevrolets, with no service facilities, certainly can't lead to anything but a lot of unhappy Chevrolet customers and disgruntled dealers.

I have discussed this with my Sales Manager and my salesmen. Their feelings are so strong on this subject that they wanted to voice their opinions individually to you, feeling that this would emphasize the importance for some immediate action.

As this appears to be a mutual problem, you certainly can count on our cooperation, and anything you can do will certainly be appreciated.

Very truly yours, Don Steves Chevrolet, Don Steves,
(Donald T.)

DS:nm

cc: Mr. John Gordon, Mr. K. E. Staley, Mr. R. M. O'Connor.

Lee Mays:

For the folder you have. Have discussed with Cole, advising, will have letter of resume for him.

K.E.S.

[fol. 1234] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 27

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

1107T EST NOV 22 60 DEAS80 OA707
SSM532 O ANA257 NL PD ANAHEIM CALIF 22

JACK GORDON PRESIDENT
GEN MOTORS CORPN GEN MTRS BLDG DET

DEAR MR GORDON

I HAVE BEEN A CHEVROLET SALESMAN FOR 10 YEARS AND
ASSOCIATED WITH CONE BROS ANAHEIM SINCE MARCH 1 1967.
I HAVE LOST SEVERAL NEW CAR SALES TO THESE DISCOUNT
HOUSES IN THE PAST FEW MONTHS BECAUSE THEY GAVE AWAY
LARGER DISCOUNTS PLUS NO SERVICE DEPARTMENTS NO
DEMONSTRATIONS, AND NO REPUTATION TO UPHOLD. LETS
DO SOMETHING ABOUT THIS

KENNETH R FIELD

[fol. 1235] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 28

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams is Standard Time at point of origin. Time of receipt is Standard Time at point of destination

849P EST NOV 22 60 DEA480 OB647
O ANA244 NL PD ANAHEIM CALIF 22

JACK GORDON

GENERAL MOTORS CORP GENERAL MOTORS BUILDING DET

MR GORDON: I HAVE BEEN AFFILIATED WITH CONE BROS CHEVROLET FOR TWENTY YEARS AND AM A LICENSED SALESMAN IN THE STATE OF CALIFORNIA. WE HAVE BEEN SURROUNDED BY DISCOUNT HOUSES WHO OBTAIN AND SELL CHEVROLETS. OUR DEALER CANNOT MEET THESE DISCOUNTS AND STAY IN BUSINESS NOR CAN I PLEASE DO SOMETHING VERY RESPECTFULLY YOURS

W K BANKS 316 NO WEST ST SALESMAN ANAHEIM CALIF

[fol. 1236] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 29

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

1021P EST NOV 22 60 DEA546 OB726
O-FNA218 NL PD FULLERTON CALIF 22

JACK GORDON PRES GM CORP
GM BLDG DET

I HAVE BEEN ASSOCIATED WITH THE SAME CHEVROLET
DEALERSHIP FOR TWENTY YEARS. THE SEVEN DISCOUNT
HOUSES IN OUR TERRITORY HAVE HURT MY DEALERS BUSI-
NESS, MY INCOME, AND MANY OF MY ASSOCIATIONS WITH
FORMER OWNERS. CAN YOU ADVISE ME WHAT CAN BE DONE.
MY CALIF SALESMAN LICENSE IS VSL 9944

RAY BERNEY 536 PRINCETON CIRCLE WEST FULLERTON CALIF
VSL 9944 536.

[fol. 1237] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 30

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

1000P EST NOV 22 60 DEA529 OB703
O FNA212 NL PD FULLERTON CALIF 22

JACK GORDON PRES GM CORP
GM BLDG DET

HAVING BEEN ASSOCIATED WITH CHEVROLET SALES AND
DEALER QUALITY PROGRAM FOR OVER 28 YEARS I BELIEVE
THE DISCOUNT HOUSE PROBLEM IN OUR AREA SHOULD BE
BROUGHT TO YOUR DIRECT ATTENTION. IN OUR AREA WE
HAVE SEVEN DISCOUNT HOUSES WITHIN SEVEN MILES FROM
OUR DEALERSHIP. THEY ARE BEING SUPPLIED FROM SOME-
WHERE AND THEIR SELLING METHODS SERIOUSLY ARE DETRI-
MENTAL TO THE QUALITY DEALER PROGRAM YOU AND WE
HAVE STRIVED SO HARD TO MAINTAIN. THEY HANDLE ALL
MAKES OF GM CARS. THEIR PROGRAM MATERIALLY AFFECTS
PROFITS AND REPUTATION THAT WE HAVE TRIED SO HARD
TO MAINTAIN THESE MANY YEARS

LEO H KLUTHE 873 EL DORADO FULLERTON CALIF

[fol. 1238] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 31

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

906P EST NOV 22 60 DEA491 OA643
O ANA241 NL PD
ANAHEIM CALIF 22

JACK GORDON
PRESIDENT GENERAL MOTORS CORP GENERAL MOTORS
BUILDING DET

DEAR MR GORDON: NEVER IN MY FIFTEEN YEARS OF AUTO-
MOBILE SELLING HAVE I EXPERIENCED SUCH ONE SIDED
COMPETITION AS WE HAVE TODAY, NAMELY FROM THE DIS-
COUNT STORES THAT HAVE POPPED UP THROUGHOUT SOUTH-
ERN CALIF ARE THEY HERE TO STAY OR IS THERE ANYTHING
THAT YOU, AS PRES OF GENERAL MOTORS CORP CAN DO TO
CONTROL THEIR SOURCE OF SUPPLY. THANK YOU

R W HUGHES CONE BROS CHEV 215 N LOS ANGELES ST
ANAHEIM CALIF.

[fol. 1239] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 32

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

908 EST NOV 22 60 DEA492 OA644
O ANA243 NL PD ANAHEIM CALIF 22

MR JACK GORDON

PRESIDENT GENERAL MOTORS CORP GENERAL MOTORS
BUILDING DET

DEAR MR. GORDON: MANY DISCOUNT HOUSES ARE SELLING
NEW CHEVROLETS IN ORANGE COUNTY, CALIF AT PRICES
BELOW OUR DEALERS SURVIVAL POINT. AS A SALESMAN IN
THIS AREA 20 YEARS AND WITH THE CONE ORGANIZATION 3
YEARS, I FEEL THAT SOMETHING SHOULD BE DONE ABOUT
THIS AT THE FACTORY LEVEL

HAL BEEBE 12942 9TH ST GARDEN GROVE CALIF.

[fol. 1240] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 33

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

916P EST NOV 22 60 DEA497 OA649
O ANA248 NL PD ANAHEIM CALIF 22

JACK GORDON PRESIDENT
GENERAL MOTORS CORP GENERAL MOTORS BUILDING DET

DEAR SIR

I AM A CHEVROLET SALESMAN WITH CONE BROS CHEV IN
ANAHEIM THERE HAS BEEN AN INFLUX OF DISCOUNT HOUSES
IN OUR AREA LATELY. THESE PEOPLE ARE ABLE TO GET NEW
CHEVROLETS AND OTHER MAKES OF CARS AND ARE OFFERING
PRICES BELOW OUR DEALERS ABILITY TO MEET. IF WE COULD
DRY UP THE DISCOUNT HOUSES SOURCE OF SUPPLY IT WOULD
BENEFIT ALL CONCERNED. CAN YOU HELP? YOURS

AL PHILLIPS 13871 LAURINDA WAY SANTA ANA CALIF.

[fol. 1241] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 34

WESTERN UNION

TELEGRAM

W. P. Marshall, President

The filing time shown in the date line on domestic telegrams
is Standard Time at point of origin. Time of receipt is
Standard Time at point of destination

911P EST NOV 22 60 DEA493 OA646
O ANA245 NL PD ANAHEIM CALIF 22

JOHN F GORDON
PRESIDENT

GENERAL MOTORS CORP GENERAL MOTORS BLDG DET

DEAR MR GORDON:

FOR 23 YEARS I HAVE SOLD CHEVROLET CARS AND TRUCKS
AT CONE BROS CHEV., ANAHEIM. NOW I HAVE ONE BIG COM-
PLAINT, NAMELY DISCOUNT HOUSES DISTRIBUTING NEW
CHEVROLETS. THIS VICIOUS METHOD OF NEW CARS BEING
MERCHANDISED THIS WAY IS QUICKLY RUINING "CREATIVE
SELLING" AMONG LEGITIMATE CHEVROLET SALESMEN AND
DEALERS IN CALIF

[fol. 1242] HARSEL V SNYDER 215 NORTH LOS ANGELES ANAHEIM
CALIF.

[fol. 1243] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 35

November 23, 1960.

Mr. John Gordon, President
General Motors Corporation
General Motors Building
Detroit 2, Michigan

Dear Mr. Gordon,

I am writing this letter to acquaint you with a condition which I consider to be the greatest threat to the franchise system of operation that I have experienced in my thirty-one years as a Chevrolet Dealer.

There are many "discount houses" in our area retailing Chevrolets that are being furnished by a few dealers in the Metropolitan area. These dealers can be easily identified. The cars are sold for a few dollars over cost and are not properly preconditioned which as far as our public relations are concerned puts the whole Chevrolet family in a bad light.

This has a very deteriorating effect on the morale as well as the earnings of our career sales people. If some way is not found to correct this situation we are likely to lose many of them.

I sincerely request that an all out effort be made to preserve the franchise system.

Yours very truly, Cone Chevrolet Company, C. D.
Cone, President.

CDC/j

Copies to: E. N. Cole, Gene Staley, R. M. O'Connor.

Received Nov. 28, 1960, Sales Section.

[fol. 1244] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 36

CONE CHEVROLET Co.
320 South Harbor Boulevard—Lambert 5-2311
Fullerton, California

1960, Nov. 25, p.m., 3.50, Office of General Manager

November 23, 1960.

Mr. E. N. Cole, General Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Mr. Cole,

I am writing this letter to acquaint you with a condition which I consider to be the greatest threat to the franchise system of operation that I have experienced in my thirty-one years as a Chevrolet Dealer.

There are many "discount houses" in our area retailing Chevrolets that are being furnished by a few dealers in the Metropolitan area. These dealers can be easily identified. The cars are sold for a few dollars over cost and are not properly preconditioned which as far as our public relations are concerned puts the whole Chevrolet family in a bad light.

This has a very deteriorating effect on the morale as well as the earnings of our career sales people. If some way is not found to correct this situation we are likely to lose many of them.

I sincerely request that an all out effort be made to preserve the franchise system.

Yours very truly, Cone Chevrolet Company, C. D.
Cone, President.

CDC/j

Copies to: John Gordon, Gene Staley, R. M. O'Connor.

[fol. 1245] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 37

CONE CHEVROLET CO.
320 South Harbor Boulevard—Lambert 5-2311
Fullerton, California

November 23, 1960.

Mr. Gene Staley, General Sales Manager
Chevrolet Motor Division
General Motor Building
Detroit 2, Michigan

Dear Mr. Staley,

I am writing this letter to acquaint you with a condition which I consider to be the greatest threat to the franchise system of operation that I have experienced in my thirty-one years as a Chevrolet Dealer.

There are many "discount houses" in our area retailing Chevrolets that are being furnished by a few dealers in the Metropolitan area. These dealers can be easily identified. The cars are sold for a few dollars over cost and are not properly preconditioned which as far as our public relations are concerned puts the whole Chevrolet family in a bad light.

This has a very deteriorating effect on the morale as well as the earnings of our career sales people. If some way is not found to correct this situation we are likely to lose many of them.

I sincerely request that an all out effort be made to preserve the franchise system.

Yours very truly, Cone Chevrolet Company, C. D.
Cone, President.

CDC/j

Copies to: John Gordon, E. N. Cole, R. M. O'Connor.

Same letter, not copy, sent to Mr. Gordon.

[fol. 1246] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 38

Received November 25, 1960

CONE CHEVROLET Co.
320 South Harbor Boulevard—LAmbert 5-2311
Fullerton, California

November 23, 1960.

Mr. R. M. O'Connor, Zone Manager
Chevrolet Motor Division
3325 Wilshire Blvd.
Los Angeles, California

Dear Mr. O'Connor,

I am writing this letter to acquaint you with a condition which I consider to be the greatest threat to the franchise system of operation that I have experienced in my thirty-one years as a Chevrolet Dealer.

There are many "discount houses" in our area retailing Chevrolets that are being furnished by a few dealers in the Metropolitan area. These dealers can be easily identified. The cars are sold for a few dollars over cost and are not properly preconditioned which as far as our public relations are concerned puts the whole Chevrolet family in a bad light.

This is a very deteriorating effect on the morale as well as the earnings of our career sales people. If some way is not found to correct this situation we are likely to lose many of them.

I sincerely request that an all out effort be made to preserve the franchise system.

Yours very truly, Cone Chevrolet Company, C. D.
Cone, President.

CDC/j

Copies to: John Gordon, E. N. Cole, Gene Staley.

[fol. 1247] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 39

CONE BROTHERS CHEVROLET
Service after the Sale

Telephone Keystone 5-1143—215 North Los Angeles Street
Anaheim, California

Nov. 23, 1960.

Mr. E. N. Cole,
Chevrolet Motor Division,
General Motors Building,
Detroit, Mich.

Dear Sir:

In the last few months a great number of discount houses have sprung up in this area. They have been supplied with cars at wholesale by dealers out of this area. Needless to say, if our franchise plan is to work, we cannot have this.

We have tried for many years to run a quality Dealership, with Quality Salesmen representing Chevrolet as well as ourselves in this community. With this unfair competition of discount houses, the earnings of our salesmen has been seriously threatened, and their morals lowered considerably.

Also, many buyers from these discount houses have come to this dealership for free work, due to lack of pre-delivery service, thereby placing Chevrolet Motor Division and Cone Bros. in a very difficult position.

Hoping that you will be able to control this before we lose our salesmen, and before the public loses confidence in our Chevrolet Warranty, we are

Yours very truly, by E. M. Cone

EMC/cm

cc: Mr. O'Connor

[fol. 1248] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 40

WESTERN UNION TELEGRAM

1245A Est Nov 23 60 Dec011 OB006
O FNA 631 NL PD Fullerton Calif 22

Jack Gordon, Pres G M Corp
G M Bldg Det

Subject discount houses. As a new car legion of leader salesman license VSL 99359 something must be done on fair practice in our business. We work long hours to make a fair living in a respectable new car agency and then have deals taken away from us by discount houses selling cars just over cost with no facilities to take care of customers. If this continues top salesmen in the automotive business will be changing to another type of business. R S V P

Charles P Robinson 17835 Anna Marie Road,
Yorba Linda Calif.

[fol. 1249] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 41

WESTERN UNION TELEGRAM

1239A EST Nov 23 60 DEA032 OB005
O FNA230 NL ND Fullerton Calif 22

Jack Gordon, Pres G M Corp G M Bldg Det

The combined interests of the General Motors Corp Chevrolet Motor Division, the franchised Chevrolet dealer, the buying public, and myself as a licensed Chevrolet salesman are being seriously undermined by the bootlegging practices of a few dealers through discount houses into our area, the seriousness of this bootlegging situation has reached such critical proportion that I felt that you would appreciate it being brought to your attention. The solution to this problem will have a direct bearing on my ability to survive as a Chevrolet salesman. Any encouragement you might feel free to offer would certainly be appreciated.

Carroll Cone, name of operator Cone Chev Co.
Carroll D. Cone, Jr licensed Chev salesman
1213 E Central Avenue Fullerton Calif

[fol. 1250] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 42

Inter-Organization Letters Only

Received November 25, 1960 Sales Section

To: Mr. H. E. Crawford, 13-142

From: L. N. Mays, A-266

Subject: Operation of Discount Houses—Los Angeles Zone

November 25, 1960.

Dear Mr. Crawford:

Attached you will find the complete file received this morning from Mr. O'Connor of Los Angeles in connection with the activities of discount houses in the Los Angeles area in the selling of new cars. I think you will find this to be quite a complete report on the situation.

It will be noted on the 3rd page of Mr. O'Connor's letter that they are endeavoring to secure a transcript of the case brought by the California Department of Motor Vehicles against the Union Store, a discount house. We understand that it was ruled, there was no purpose in this case ever going to trial.

Mr. O'Connor advised me by telephone that he is also hopeful of getting a tape recording of an actual transaction being worked out with a customer on a new car purchase in one of these discount houses. He said if he is able to obtain this tape he will forward it immediately.

We shall promptly forward any additional information we are able to secure on the subject and are most anxious to learn the Corporation's opinion as to what position Chevrolet might take to meet this new dangerous competitive development.

Yours very truly, L. N. Mays, Assistant Sales
Manager

LNM/be

Attachments

[fol. 1251] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 43

Received November 30, 1960, J. M. ROCHE

November 25, 1960.

Mr. J. F. Gordon, President
General Motors Corporation
General Motors Building
Detroit, Michigan

Dear Sir:

The undersigned has been employed as a salesman for authorized Chevrolet dealers for the past five years, and in each of those years achieved membership in the 100 Car Club.

During the last year my income was disproportionately reduced although my efforts and number of contacts with potential consumers did not appear to vary from previous years. It has been brought to my attention and an investigation has revealed that several discount or wholesale houses in this area are making available for their memberships new General Motors automobiles at prices much below those which an authorized and franchised General Motors automobile dealer may retail to consumers when taking into consideration the large capital investment a franchised dealer must make, the service he must render to purchasers and reasonable compensation allowed for the efforts of a salesman.

It should be noted that the membership in wholesale and discount houses is generally limited to union members, city, state and federal employees and members of the Armed Forces.

It would seem readily apparent that the greatest incident of increased costs of automobile manufacturing is the labor factor, brought about by large industry wide unions. Continued wage increases cause a normal upward spiral which reflects itself throughout our economy.

Elementary economics would indicate that automobile manufacturers, along with other retail manufacturers, apparently are only aware of the short term consequences of making their products available to membership discount

and wholesale houses. Simply, it boils down to the fact that you are cheating the American public by giving in to union demands for increased wages and then cutting your throat and my throat by giving these same union members better "deals" for the consumption of your product. This method of doing business will, over an extended period, severely reduce your authorized franchises due to curtailment or reduction of profit-investment ratios. Your direct contact with the consumer, and a prime factor in consumer satisfaction, is your authorized dealer.

[fol. 1252] If this is to be your continued attitude, I shall in the near future, along with other salesmen, be forced to obtain other employment.

Your immediate consideration to this grave problem facing your salesmen and dealership will be greatly appreciated.

Very truly yours, E. L. Lindemann, Salesman, Harbor Chevrolet, Long Beach, California.

[fol. 1253] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 44

November 25, 1960.

Mr. E. N. Cole, General Manager
Chevrolet Motor Division
General Motors Building
Detroit, Michigan

Dear Sir:

The undersigned has been employed as a salesman for authorized Chevrolet dealers for the past five years, and in each of those years achieved membership in the 100 Car Club.

During the last year my income was disproportionately reduced although my efforts and number of contacts with potential consumers did not appear to vary from previous years. It has been brought to my attention and an investigation has revealed that several discount or wholesale houses in this area are making available for their membership new General Motors automobiles at prices much below those which an authorized and franchised General Motors automobile dealer may retail to consumers when taking into consideration the large capital investment a franchised dealer must make, the service he must render to purchasers and reasonable compensation allowed for the efforts of a salesman.

It should be noted that the membership in wholesale and discount houses is generally limited to union members, city, state and federal employees and members of the Armed Forces.

It would seem readily apparent that the greatest incident of increased costs of automobile manufacturing is the labor factor, brought about by large industry wide unions. Continued wage increases cause a normal upward spiral which reflects itself throughout our economy.

Elementary economics would indicate that automobile manufacturers, along with other retail manufacturers, apparently are only aware of the short term consequences of making their products available to membership discount and wholesale houses. Simply, it boils down to the fact that you are cheating the American public by giving in to union

demands for increased wages and then cutting your throat and my throat by giving these same union members better "deals" for the consumption of your product. This method of doing business will, over an extended period, severely reduce your authorized franchises due to curtailment or reduction of profit-investment ratios. Your direct contact with the consumer, and a prime factor in consumer satisfaction, is your authorized dealer.

[fol. 1254] If this is to be your continued attitude, I shall in the near future, along with other salesmen, be forced to obtain other employment.

Your immediate consideration to this grave problem facing your salesmen and dealerships will be greatly appreciated.

Very truly yours, E. L. Lindemann, Salesman, Harbor Chevrolet, Long Beach, California

[fol. 1255] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 46

ROBERT A. ERSKINE
CHEVROLET

363 East Holt Avenue, Pomona, California NA. 2-1136
Mr. K. E. Staley

Some more discount house letters

E. N. Cole
11/25/60.

Dear Mr. Cole:

We respectfully beseech you to help us eliminate this cancer.

Sincerely, Bob Erskine.

Sincerely, Bob Erskine.

Autos in Discount Houses Irk Calif. Dealer Official

Los Angeles.—A warning about discount stores which offer new cars at "the lowest price anywhere" was sounded last week by N. L. McLaughlin, executive secretary, Long Beach Motor Car Dealers Assn.

He said the discount stores are prevalent in Southern California and added: "If this idea of merchandising spreads, it may well destroy the present franchise system."

According to McLaughlin, "the so-called volume dealers are supplying these cars for a few dollars above invoice cost. They figure this is plus business, since they place the cars outside their own territory."

An example of the discount-house approach is an ad from the Los Angeles *Times* which announced "Gemco's 1st Annual Auto Show."

The ad continued: "First time anywhere! See all the new '61s at Gemco and have the exclusive advantage of selecting your '61 at the lowest price anywhere."

Among the cars pictured in the advertisement was a '61 Lincoln Continental four-door sedan. The ad was dated Nov. 10. The dealer introduction of the Lincoln Continental was Nov. 17.

The public was invited to the auto show, but the ad specified that "you must be a member of Gemco" to be able to purchase any of the cars on display.

Gemco memberships were available for \$1. A membership coupon was included in the ad.

Other inducements mentioned in the ad were "5½ percent financing available on 36-month contracts," "we guarantee servicing on any new car purchased on Gemco" and "trade-ins appraised immediately on the spot."

The ad also advised: "Remember . . . Gemco is in the new-car business. Any new car may be purchased during the show or any other time during the year . . . always at the same low price."

[fol. 1256] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 48

Received November 30, 1960 J. M. ROCHE

Mr. J. F. Gordon
President
General Motors Corp.

Dear Mr. Gordon:

You no doubt have heard from this area regarding the discount house that sells new Chevrolets.

There are now, in this locality, more of these houses than authorized Chevrolet dealers. This communication is to add my urgent appeal for some immediate action.

How can I pay a salesman a decent commission when two blocks away new Chevrolet cars and trucks are being advertised and delivered at 5% over invoice.

These buyers are coming into our service department in an ever increasing flood—asking for paint touch up—engine idle adjustments, etc. They have been told that regardless of where they buy their car it will be taken care of by any dealer. The number of these cars makes it impossible for us to do the policy adjustment work necessary to keep these people happy. I think you are aware that the average dealer goes to great lengths and expense for his own owners on non warrenty work.

We do not like the factories "hands tied" policy. If Ford and Chrysler are willing to take steps to contain this thing, why does General Motors not take its rightful place as leader to protect this valuable market.

With Kiplinger and others educating the public to buy "wholesale" and publishing dealer costs, advertising will not answer. We need the source dried up.

Hoping for some immediate action I remain

Yours, James Seidlitz (Harbor Chevrolet).

[fol. 1257] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 49

11/26/60.

Mr. E. N. Cole
General Manager
Chevrolet Motor Division
General Motors Corporation

Dear Mr. Cole:

Southern California has a situation that is causing great concern among Chevrolet retail salesmen, management and dealers, and should be given immediate attention by the factory.

We now have, in this area, more unfranchised discount houses selling new Chevrolet's than dealers. To thumbnail it, a used car dealer rents a booth in a discount house, makes a volume deal for new cars from an out of the area dealer, telling that dealer he will never see the cars again, and advertizes new cars of any make at 5% over invoice. A report of sale and warrenty book is supplied by the original dealer. With only a \$200 per month booth rental overhead, this person is rough competition.

This is hurting the value of a Chevrolet franchise. Who wants a dealership in an area where legitimate profit is cut up by nonsubstantial shade tree operators.

We do not wish to become a distributor. We wish to stay retailing. We do not like the factorie's "Hands Tied" policy.

We are faced with an ever increasing flood of discount house buyers in our service department, asking for paint touch up, engine idle adjustments, etc. You must be aware that the time and paper work make minor warranty jobs costly to the dealer. We are willing to go to great lengths of policy adjustment for our own buyers but cannot afford the time or money for these others. They are too many.

With Kiplinger and others educating the public that it is smart to buy "wholesale" and publishing dealer costs, we do not feel that advertising will answer. We think you will have to take an interest in drying up the source of supply.

Ford and Chrysler have indicated they will do what they

can to contain this thing but my feeling is that Chevrolet should take it's rightful place as leader to protect this most valuable market.

Last but not least I must admit I am being personally hurt right smack in the hip pocket.

Hoping for some action I remain

Yours, James Seidlitz (Harbor Chevrolet).

[fol. 1258] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 50

November 27, 1960.

Mr. E. N. Cole
General Manager
Chevrolet Division, General Motors Corp.
Detroit, Mich.

Dear Mr. Cole:

As a "100 Car Club" Chevrolet salesman for the past five years, may I respectfully protest the present mushrooming practice of so-called discount houses in this area being privileged to sell new automobiles in competition with legitimate franchised new car dealerships.

Regrettably, as I see it, if this situation is allowed to continue, the result may well entail the loss of many top salesmen to the automobile business as well as a very serious threat to the stability of the sound dealer who must oppose this unethical and unfair type of competition and selling.

Obviously, the franchised automobile dealer is solely dependent on the sale of automobiles for his profit, while "discount houses," (huge department stores, actually), sell and carry thousands of items from which a profit is derived from all, and therefore can sell an automobile at a much lesser price than can the legitimate franchised dealer, since these outlets have no investment whatsoever in their setup to sell cars.

If automobile dealers also sold lawn mowers, furniture, clothing, etc., there could be no objections to these "discount" department stores selling automobiles, but since they do not, it seems only just and proper that steps be taken to eliminate the sale of new automobiles through any source other than the franchised automobile dealer.

Please accept my sincere thanks for any consideration you deem this plea warrants.

Sincerely, Blane Peart.

cc: Mr. J. F. Gordon; Mr. K. E. Staley.

[fol. 1259] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 52

11-27-60.

Mr. K. E. Staley
General Sales Manager
Chevrolet Motor Division
General Motors Corporation

Dear Sir:

I'm writing to you in hopes that you will find time to take my problem into consideration. I am a Chevrolet salesman in Long Beach, California. I am 24 years old, and have decided to make the car industry my profession.

Sir, my problem is this: "*Local Discount Houses.*" These establishments are selling new Chevrolets, sold to them by certain Chevrolet (Dealers?) at tremendous discounts. If this is allowed to continue, it will surely jeopardize my job and future. It seems that to compete with these "Discount Stores," we have to give all the gross profit away, and therefore can't make a just profit for the dealer or salesman. I wish that you would, if it's at all possible, take some means of stopping this crisis. Chrysler and Ford Motor Companies are busy working on this problem at the time. I and think that being the leaders the the automobile industry that we should, you and I, get busy and put a stop to the certain Dealers furnishing those so called "*Stores*" with new Chevrolets to sell.

If anything can be done on this matter, I would sincerely appreciate your immediate attention to this problem.

With best regards, Daniel R. McGowan, Salesman,
Harbor Chevrolet Corp., Long Beach, California.

[fc' 1260]

HARBOR CHEVROLET
Sales and Service
Chevrolet Corvair
3770 Cherry Avenue
Long Beach 7, California

[STAMP]

Mr. K. E. Staley
General Sales Manager
Chevrolet Motor Division
General Motors Building
Detroit, Michigan

[ENVELOPE]

Air Mail

681

[fol. 1261] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 53

11-27-60.

Mr. E. N. Cole
General Manager
Chevrolet Motor Division

Dear Sir:

I'm writing to you in hopes that you will find time to take my problem into consideration. I am a Chevrolet salesman in Long Beach, California. I am 24 years old and decided to choose the car business as my profession.

Sir, my problem is this: "*Local Discount Stores*." These establishments are selling new Chevrolets, sold to them by certain Chevrolet (Dealers?), at tremendous discounts. If this is allowed to continue it will surely jeopardize my job and future. It seems that to compete with these "Discount Stores" you have to give all the gross profit away, and therefore can't make a just profit for the dealer or salesman. I wish that you would, if it's at all possible, take some means of stopping this crisis. Chrysler and Ford Motor Companies are busy working on this problem. And I think being the leaders in the automobile industry that we should you and I, get busy and put a stop to the certain Dealers furnishing these so called "*Stores*" with new Chevrolets to sell.

If anything can be done on this matter I would sincerely appreciate your immediate attention to this matter!

With best regards, Daniel R. McGowan, Salesman,
Harbor Chevrolet Corp., Long Beach, California.

[fol. 1262] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 54

505 E. Broadway
Long Beach 2, Calif.

Received November 30, 1960, J. M. Roche

Nov. 27, 1960.

Mr. J. F. Gordon, Pres.
General Motors Corp.
General Motors Bldg.
Detroit, Mich.

Dear Sir:

As I am a Chevrolet salesman and work for an authorized Chevrolet dealer with a large investment and an agency for many years.

I am writing you in regard to discount houses that are delivering new Chevrolets at fabulous discount prices, cars that are coming from authorized Chevrolet dealers throughout Southern California.

I am appealing to you to have this discontinued as it is cutting down my compensation and that is what I depend on for a living. So will you please look into this matter and put an end to it, and stop it for good.

I remain

Yours very truly, Omer L. Bernard [Salesman, Harbor Chevrolet]

[fol. 1263] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 60

From the Office of
K. E. Staley

Mr. L. N. Mays

"Can we move the legal Dept. along faster on our request for appropriate letter (& positive) stand.

K E S."

[fol. 1264] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 61

From the Office of
K. E. Staley

11/28/60.

Mr. L. N. Mays:

As soon as you are in a position to give me something in regard to your check on the "discount house" activity, would appreciate it because probably this will be coming down from Gordon's Office.

K.E.S.

KES mw

[fol. 1265] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 62

Long Beach, Calif.

Received November 30, 1960, J. M. Roche

Nov. 28, 1960.

J. F. Gordon
Pres., General Motors

Dear Mr. Gordon,

Southern Calif. has a serious problem in the automobile industry. It concerns the discount houses. They are now selling new Chevrolets at \$125.00 over cost any model, any color and any options. Now, they are advertising after sales service.

People are coming in our dealership with tape figures wanting us to beat the discount house deal. Now, they are getting their cars from some of the Chevrolet dealers.

Zone average selling expense is around \$188.00. How can a dealer compete with this? How are we going to hold our salesmen when the discount house has a small floor space, no overhead, other than probably four salesmen and people lined up to buy new Chevrolets. They also give the customers new car warrantys.

There are more discount houses in our area than dealers.
[fol. 1266] What is this going to do to the Chevrolet franchise dealer?

Why not stop the dealers who are supplying the discount houses?

I have been employed with Chevrolet since 1933 and have been proud of the fact. I am very concerned over this problem.

I am quite certain it will be rectified.

Yours truly, Buck Pryor, Harbor Chevrolet.

[fol. 1267] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 65

Received December 2, 1960, Sales Section

Received December 2, 1960, J. M. Roche

Nov. 28, 1960.

Mr. Crawford

J. F. Gordon

President, General Motors Corp.

Dear Sir:

May I impose upon you for a few minutes to bring to your attention a situation that is adversely affecting the automobile business in So. Calif., namely, the "discount house." These "houses" with no overhead and no service dept. are undercutting your legitimate dealers. If this situation continues it will lead to the loss of many good salesmen and also affect the financial stability of many dealers.

The dealers themselves are unable to control this situation. I ask you, if there is any way possible, to control this situation from the factory. You have spent millions to build up your dealer organization and now because of the greed of a few they are gradually being destroyed.

Sincerely, W. E. Daley.

[fol. 1268] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 68

Long Beach, Calif.

Nov. 28th, 1960.

1708 Redondo, Apt. A

Mr. K. E. Staley
Gen. Sales Mgr.
Chev. Mtrs. Div.
Gen. Mtrs. Div.
Detroit, Mich.

Sir:

I wish to direct your personal attention to a grave loss to my own "pocketbook" as well as my dealer, Mr. Chet Hinson, Harbor Chev. Corp. as well as *any* other man in retail sales of new Chev. as well as other new cars.

I respectfully submit Mr. Hinson has a lifetime investment in Harbor Chev. and holds an *exclusive* (!) franchise to sell new Chev. cars and trucks. Yet within 5 city blocks a "Discount House" sells our cars cheaper than we can possibly sell them.

[fol. 1269] Sir, why should an organization without a franchise be able to cut our throats? We spend real money to get people in our place of business and the ups are far between now they stand in line at the discount house. Why? Price and price alone.

They cannot properly represent Chev. or give the same service to the customer of Chevrolet that you as Gen. Mgr. should demand.

Resp., Corny Cline, Chev. Salesman.

P.S. Sir: Were I you I would pull the franchise of any dealer caught selling cars to these discount houses.

CSC.

[fol. 1270] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 69

EDDIE HOPPER CHEVROLET
10511 Garden Grove Boulevard
JEfferson 4-2700—HEmlock 2-6411—MAdison 5-2963
Garden Grove, California

Dear Mr. Cole:

As my livelihood depends on new car sales I find it necessary to write this letter to you. I have been in the automobile business 3 yrs. I had planned on making a career of it, but I am being seriously discouraged by these discount houses (we have 7 in our area).

It is cutting into the number of sales I make per month (by at least half).

It is impossible to compete with these people on a price basis.

There is a way these stores can be put out of the auto-[fol. 1271] mobile business, and that is by cutting their supply of cars off at the source, namely other dealers across town who sell to them. There must be a way to prohibite this sort of thing.

It has reached serious proportions, and I am sure if you will look into the matter *now*, you will help us in this matter.

Thank you for your help.

Lillin H. Tapley, Eddie Hopper Chevrolet, Garden Grove, Calif.

[fol. 1272] International—Airport Village—Crenshaw—
Inglewood—Pico—Westwood

LEONARDS

Main Store International
12891 Harbor Blvd.
Garden Grove, Calif.
JEfferson 7-5000

4 Dr. Impala

Dear Customer:

The management recommends that you visit our automobile department. You can now make arrangements to purchase the car of your choice, at any time of the year at a substantial savings to you. Our one and only low price to you eliminates the many loop-holes, gimmicks, and pitfalls normally associated with buying a new car.

This plan provides:

- . . . Lowest rate bank financing . . .
- . . . All cars obtained locally . . .
- . . . Complete factory warranty and servicing . . .
- . . . Trade-ins accepted . . .
- . . . Low insurance rates . . .
- . . . 100% honest dealings . . .
- . . . Guidance of unbiased automobile men to assist
you in your selection of a new car . . .

The following procedure is recommended:

1. Decide on *make, model, equipment & color*.
2. Complete your shopping for the automobile, so that you have established the best price you can purchase a car on your own.
3. Be prepared to place an order.
4. Sorry, no prices by telephone.

Customers who have used this plan have effected considerable savings in money and time.

[fol. 1273] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 70

Dear Mr. Cole:

I've been selling Chevrolets for six years, and before that I sold Pontiacs. I've belonged to the "100 Car Club" for — years and have several diamond pins from Pontiac. In other words, I've made a good living for years selling with the General Motors organization. My income is now threatened by the ability of the discount houses to obtain Chevrolets from fly-by-night and near bankrupt agencies. Customers who have bought their Chevrolets from me for years are now sheepishly explaining that they "got a better deal" from a discount house. These are unserviced cars they are buying, without a dealer who wants their repeat business to give them the service they require. They are promised "service by any local Chevrolet agency" by the discount houses. The dealer and his sales force bear the brunt of the [fol. 1274] lost sales and goodwill, and General Motors is blamed because these people believe that General Motors is issuing these cars to the discount houses. That impression is given to the customer.

My income is dropping at a time when I should be earning progressively more because of my repeat sales. I lose my customers because I cannot compete in the price field on the automobile I'm offering.

Thank you, G. Spates.

[fol. 1275] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 73

K. E. Staley, General
Sales Manager.

November 28, 1960.

Dear Sir,

Just a note to let you know that the So. Calif. salesmen are getting a little sick of these *discount houses* around here.

The factory men around here don't seem to care one way or the other so maybe a note to you might create a little interest in the matter.

It is real unfair to a dealer who has a million dollar plant plus a franchise, and watch those boys tear the grosses in a new as well as used car all to hell; and then have them come to us and say Chevrolet service is rotten and their product no good.

I've been here for years and the promises that your factory men make seem to never come true. We would appreciate a little interest in the matter.

Sincerely, Phil Chauvin, Harbor Chevrolet, Long
Beach, Calif.

[fol. 1276] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 74

Chevrolet Div., G.M. Corp., December 2, 1960 AM 11:15
Office of General Manager

Mr. E. N. Cole
General Manager
Chevrolet Div.

11-28-60.

Dear Sir:

I am a salesman in the Long Beach area and I would appreciate any effort on your part in stopping your Dealers from supplying "Discount Houses" with new Chev. cars. I work on a gross profit basis and having to compete with their small margin of profit takes money out of my pocket which is of great concern to me.

I am compelled by the State of Calif. to buy a License to sell cars and feel that this type of operation is unfair to myself and dealers who do not sell to them. Hoping you will put forth every effort to stop this operation I am

Very truly yours, Ed Lundberg, Salesman, Harbor
Chevrolet, Long Beach, Calif.

[fol. 1277] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 75

Received November 30, 1960, J. M. Roche

Mr. J. F. Gordon
Pres., G.M. Corp.
G.M. Bldg.
Detroit, Michigan

Dear Sir:

I am writing you as a Chevrolet salesman about the discount houses that are selling cars at huge discounts in my area of selling. The prices they quote on cars leaves so little in the deal, that I even hate to work people that have shopped their.

Many of my old customers go there first to get their price then come to me to meet the price or beat it. The commission left in these deals are real small and does not give me a chance to make a living wage for my Family.

If something is not done to stop this type of business, many salesmen like myself with seven years of Chevrolet selling will be forced to look for other selling jobs.

Yours Truly, R. D. McGowan, 2861 Tucker Lane,
Los Alamitos, Calif.

[fol. 1278] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 76

11/28/60.

Mr. E. M. Cole
General Manager
Chevrolet Motor Division
Detroit, Mich.

Dear Sir:

I am writing to you as a Chevrolet salesman about the discount houses that are selling cars at huge discounts in my area of selling. The prices they quote on cars leaves so little in the deal, that I even hate to work people that have shopped there.

Many of my old customers go their first to get the price then come to me to beat it. The commission left in these deals are real small and do not give me a chance to make a living wage for my family.

If something is not done to stop this type of business, many salesman like myself with seven years of Chevrolet selling will be forced to go to other selling jobs.

Yours truly, R. D. McGowan, 2861 Tucker Lane,
Los Alamitos, Calif.

[fol. 1279] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 77

11/28/60.

Mr. K. E. Staley
Gen. Sales Mgr.
Chev. Motor Div.
Detroit, Mich.

Dear Sir:

I am writing you as a Chevrolet salesman about the discount houses that are selling cars at huge discounts in my area of selling. The prices they quote on cars leaves so little in the deal, that I even hate to work people that have shopped there.

Many of my old customers go there first to get the price then come to me to beat it. The commission left in these deals are real small and do not give me a chance to make a decent living for my family.

If something is not done to stop this type of business, many salesmen like myself with seven years of Chevrolet selling will be forced to look for other selling jobs.

Yours truly, R. D. McGowan, 2861 Tucker Lane, Los Alamitos, Cal.

[fol. 1280] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 78

HARBOR CHEVROLET
Sales and Service
3770 Cherry Avenue—GA. 6-3341
Long Beach 7, California

11/28/60.

Mr. K. E. Staley
Chev. Motor Div.
Gen. Motors Corp.

Dear Sir:

I am a Chevrolet salesman who is very much concerned about the discount houses. They are hurting our sales at Harbor Chev. as well as hurting my pocket book.

I would like to know if there is some thing that could be done to stop this. I have had many people stop in and ask for prices on a new Chev. & then say that they can beat my price at the discount house. This is very discouraging.

I would appreciate any action you might take toward stopping this practice.

Respectfully, Bert Beria.

[fol. 1281] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 79

Received December 2, 1960, J. M. ROCHE

N. J. FLYNN

4428 E. 6 St., Long Beach 14, Calif.

Mr. Crawford
Mr. J. F. Gordon
General Motors Corp.
Detroit, Mich.

Dear Sir:

As a Chevrolet salesman I have found the growing trend of new Chevrolet sales, through the so called discount houses to be increasing to the point where the legitimate dealer with a big investment in sales & service facilities is having considerable difficulty in competing with the confusion tactics used by these outlets. Chevrolet salesmen, in my opinion, are the highest calibre group of sales specialists in the country and when we have difficulty making a living on account of these cut price order takers I think it is time for people in authority to investigate and attempt to limit Chevrolet sales to franchised dealers. Please help to correct this situation.

Thanking you for your attention to this matter, I remain

Very truly yours, Norman J. Flynn.

[fol. 1282] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 80

Chevrolet Div., G. M. Corp., 1960, December 2, A.M. 11:15
Office of General Manager
N. J. FLYNN
4428 E 6 St., Long Beach 14, Calif.

Mr. E. N. Cole
General Motors Corp.
Detroit, Mich.

Dear Sir:

As a Chevrolet salesman I have found the growing trend of new Chevrolet sales through the so called discount houses to be increasing to the point where the legitimate dealer with a big investment in sales & service facilities is having considerable difficulty in competing with the confusion tactics used by these outlets. Chevrolet salesmen, in my opinion, are the highest calibre group of sales specialists in the country and when we have difficulty making a living on account of these cut price order takers I think it is time for people in authority to investigate and attempt to limit Chevrolet sales to franchised dealers. Please help to correct this situation.

Thanking you for your attention to this matter, I remain

Very truly yours, Norman J. Flynn.

[fol. 1283] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 83

HARBOR CHEVROLET
Sales and Service
3770 Cherry Avenue—GA. 6-3341
Long Beach 7, California

Received December 1, 1960, J. M. ROCHE

November 28, 1960.

Mr. Crawford
Mr. J. F. Gordon, President
General Motors Corporation
General Motors Bldg.
Detroit, Michigan

Re.: Sale of new Chevrolets by Non-franchised
"Discount Stores"

Dear Mr. Gordon:

You will find enclosed an advertisement from the Los Angeles Times (November 10, 1960) announcing "Gemco's 1st Annual Auto Show" and a copy of a related article in the Automotive News (November 21, 1960).

Gemco is just one of many non-franchised discount stores which are selling new Chevrolets in this area. (One such discount store is located just a few blocks from this dealership and delivers new Chevrolets at the store premises.) New Chevrolets are being supplied in large volume by a few franchised dealers in the Los Angeles Zone for distribution outside of the supplying dealers' zones of influence.

These non-franchised discount stores are using unfair and underhanded sales tactics in their dealings with the public and, if allowed to continue, will destroy the franchise system of selling new Chevrolets. Representations are being made to prospective customers that franchised dealers make an exorbitant profit on the sale of new cars. Customers are also informed that *any* franchised dealer will perform free warranty work on any new Chevrolet purchased from a discount store. In short, the discount stores are reaping most of the benefits of the franchise system

without incurring any of the responsibilities or obligations of same.

This matter was brought to the attention of Mr. R. M. O'Connor, Los Angeles Zone Manager, several months ago together with supporting evidence regarding the offending dealers and the discount stores involved. Although Mr. O'Connor was very courteous and promised to talk to the offending dealers, he had indicated that he is completely powerless and without authority to do anything about it.

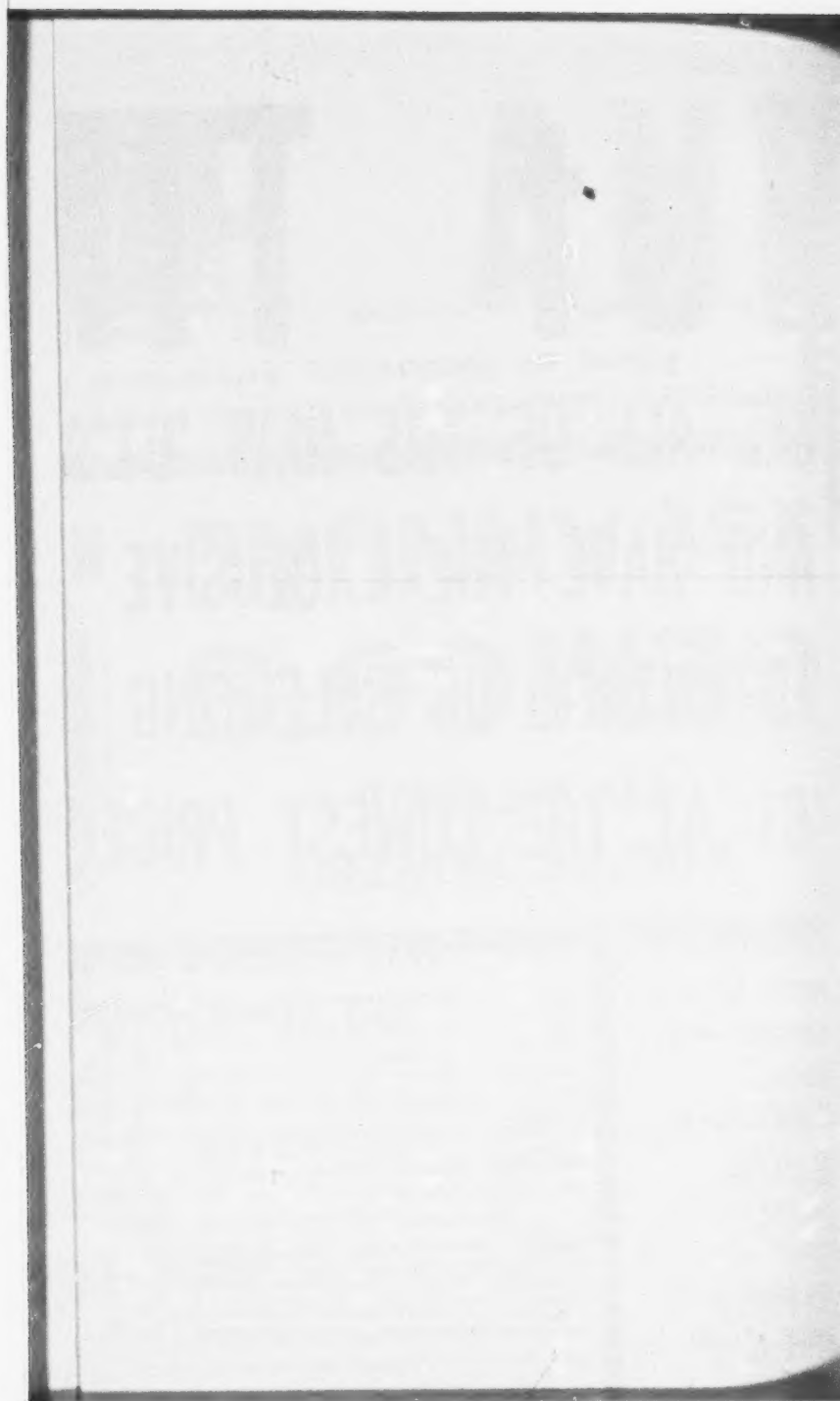
[fol. 1284] I therefore request that you take immediate action to carry out a complete investigation and restore the franchise to the dignity which made the Chevrolet selling organization the greatest in the history of automobile merchandising.

Very truly yours, Harbor Chevrolet Corporation,
G. F. Henson, President.

CFH/sh

enc.





[fol. 1286] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 85

HARBOR CHEVROLET
Sales and Service
3770 Cherry Avenue—GA. 6-3341
Long Beach 7, California

November 28, 1960.

Mr. K. E. Staley, General Sales Manager
Chevrolet Motor Division
General Motors Corporation
General Motors Bldg.
Detroit, Michigan

Re.: Sale of new Chevrolets by Non-franchised
"Discount Stores"

Dear Mr. Staley:

You will find enclosed an advertisement from the Los Angeles Times (November 10, 1960) announcing "Gemco's 1st Annual Auto Show" and a copy of a related article in the Automotive News (November 21, 1960).

Gemco is just one of many non-franchised discount stores which are selling new Chevrolets in this area. (One such discount store is located just a few blocks from this dealership and delivers new Chevrolets at the store premises.) New Chevrolets are being supplied in large volume by a few franchised dealers in the Los Angeles Zone for distribution outside of the supplying dealers' zones of influence.

These non-franchised discount stores are using unfair and underhanded sales tactics in their dealings with the public and, if allowed to continue, will destroy the franchise system of selling new Chevrolets. Representations are being made to prospective customers that franchised dealers make an exorbitant profit on the sale of new cars. Customers are also informed that *any* franchised dealer will perform free warranty work on any new Chevrolet purchased from a discount store. In short, the discount stores are reaping most of the benefits of the franchise system

without incurring any of the responsibilities or obligations of same.

This matter was brought to the attention of Mr. R. M. O'Connor, Los Angeles Zone Manager, several months ago together with supporting evidence regarding the offending dealers and the discount stores involved. Although Mr. O'Connor was very courteous and promised to talk to the offending dealers, he has indicated he is completely powerless and without authority to do anything about it.

[fols. 1287-1288] I therefore request that you take immediate action to carry out a complete investigation and restore the franchise to the dignity which made the Chevrolet selling organization the greatest in the history of automobile merchandising.

Very truly yours, Harbor Chevrolet, C. F. Henson,
President.

CFH/sh

enc.



[fol. 1290] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 86

DREWER-JONES CHEVROLET

14925 Paramount Blvd.—Paramount, California

MEtcalfe 0-5861 — NEvada 6-3700

November 28, 1960.

Mr. K. E. Staley

Mr. Gordon

Mr. Cole

Mr. Staley

Chevrolet Motor Division

General Motors Bldg.

Detroit 2, Michigan

Gentlemen:

As authorized Chevrolet Dealers, the present practice of a few fellow Dealers selling Cars and Trucks to Discount Houses and Referral Companies at a ridiculously low mark up is a matter of grave concern to us.

We have always endorsed most enthusiastically General Motors program of franchising dealers and your demands made upon us as business men has established the sale and servicing of your products on the extremely high plateau that you and we have endorsed, and strive to attain and maintain through the years, but now, because of the greed, or some other equally low base desires, of a few so-called quality dealers they are jeopardizing the entire General Motors Authorized Dealer Franchising system by selling Cars and Trucks to these Discount houses and referral Companies.

Here in Southern California the Discount Houses and referral Companies are boldly advertising by TV, radio and Newspapers, (ad enclosed), that they can and will give the public big discounts on the purchase of any New Car, with complete Factory Warranty and Service and even take trades at top market value. Needless to say we and every other Dealer, with large or medium investments, as the case may be, are loosing sales to these discount houses and referral Companies, some with very low if any investments, and none with Service Departments nor Parts Inventory to

back up General Motors owner protection plan and General Motors Guardian Maintenance program.

Auto Salesmen are finding it hard to maintain high standards of morale and the enthusiasm for the authorized franchise system that they have known for so long and in some cases feel no desire to attempt to advance to the status of Dealer because of this situation.

[fol. 1291] Is there a ready solution? We feel there is! We feel that if all General Motors Dealers were instructed by the Corporation that selling Cars and Trucks to or through Discount Houses and referral Companies was against the wishes and policy of General Motors and that you wanted it stopped now, and that all angles and loopholes and devious matters of selling Cars and Trucks to or through these Companies to the buying public be stopped at once, *It would be done!*

We feel sure that the General Motors "Franchising Dealer Program" would be strengthened and saved by your immediate action.

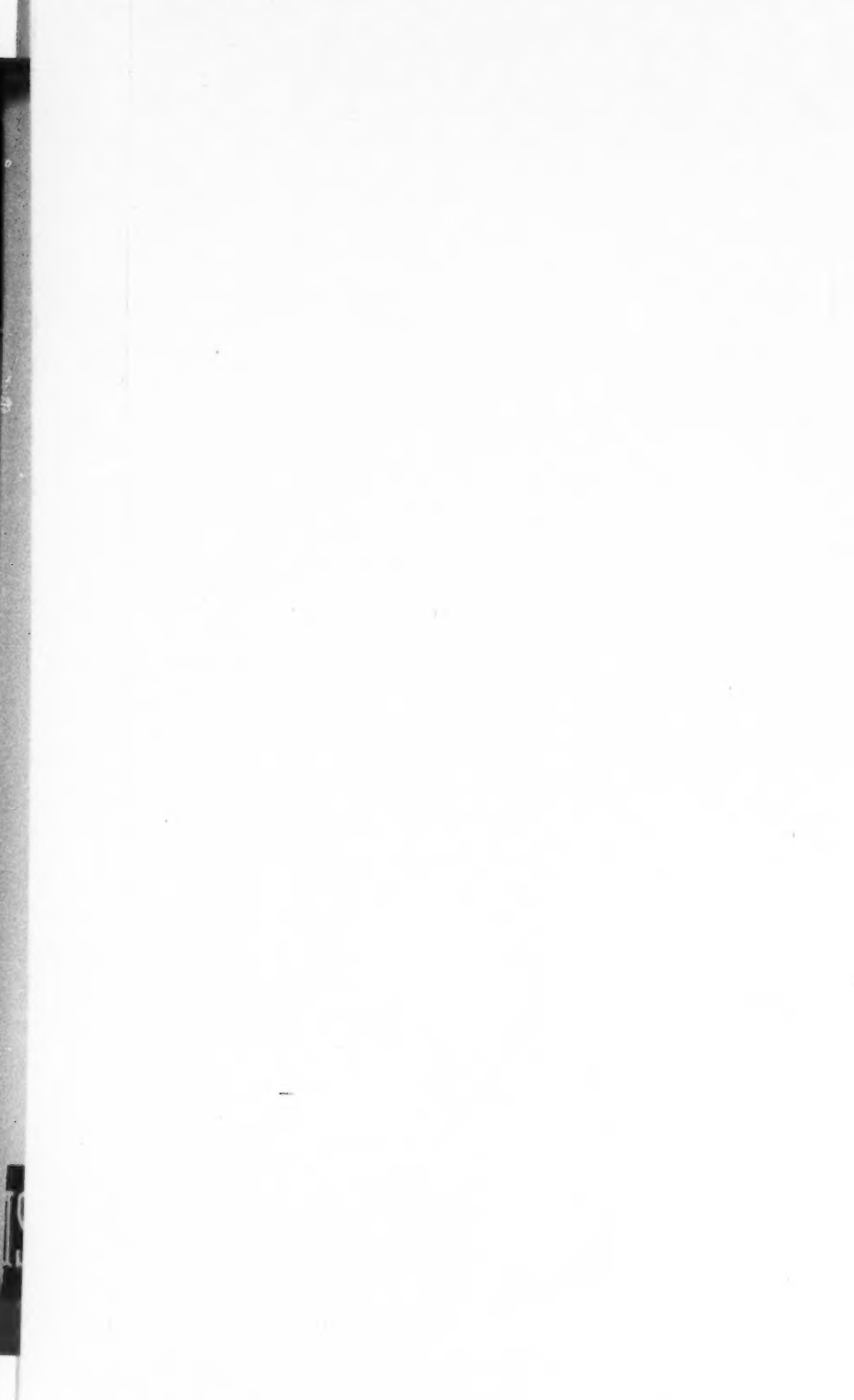
Respectfully, Drew-Jones Chevrolet, Glenn V. Jones, President; Bob Drew-Jones, Partner.

GVJ/BD:ms

encl/1

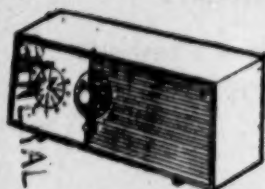
c/c to: Mr. Roy M. Cash, Regional Manager; R. M. O'Connor, Zone Manager.

P.S.—One of our top producers resigned today, to accept a Sales job with one of the large referral Companies known as the 4-A Auto Sales on Olympic Ave. in Los Angeles.



[fol. 1292]

ROCKARD BELL CLOCK RADIO



AL MOTORS

4" dyna-power speaker has moisture-proof aluminum voice coil. Self-starting, self-regulating clock.

\$13⁸⁸

5-TUBE COMPACT SIZE TABLE RADIO



Smartly designed, super het. Latest tubes and circuits. Built-in antenna. Small compact size.

REG. \$14.95

CHOICE OF COLORS

\$8⁸⁸

14 KT. SOLID GOLD WEDDING RINGS

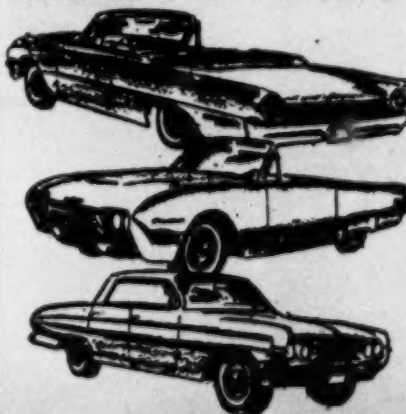
Ladies' & men's matching set. Choice of white or yellow gold.



\$6⁸⁸ Set

NEW CAR DEPT.

PICK THE ONE THAT SUITS YOU BEST!



All makes! All Models! Complete Factory Warranty & Service.

Big Discounts

Trade-Ins Accepted at Top Market Value!

INSURANCE



Integrating Plan Stop service to save you premium dollars on

AUTO • FIRE
LIABILITY
LIFE
DISABILITY
ACCIDENT

**SEE US
AND SAVE**

**STORE HOURS
10 A.M.-9 P.M.
OPEN 7 DAYS**



**ALL FREEWAYS
LEAD TO
THE BIG A**

IS MINUTES AWAY VIA YOUR FREEWAY

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT
138

THE UNIVERSITY OF CHICAGO
PHYSICS DEPARTMENT

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[fol. 1293] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 87

Received December 2, 1960, J. M. ROCHE

[Copy Illegible]

November 28, 1960.

John F.

Mr. Jack Gordon, President
Chevrolet Motor Division
General Motors Corporation
Detroit 2, Michigan

Dear Sir:

This firm would like to go on record in protesting the sale of new Chevrolets by a few dealers, to Discount Houses in the Los Angeles area.

This practice is seriously jeopardizing the ability of Dealerships to operate on a sound profitable basis.

It is my firm conviction that, unless this practice is stopped immediately, Chevrolet Dealerships will suffer serious losses of profit, as well as competent Sales Personnel.

Very truly yours, Fred Gledhill Chevrolet, F. J.
Gledhill, President.

FJG:ai, cc: E. Cole, K. E. Staley.

[fol. 1294] IN THE UNITED STATES DISTRICT COURT

Plaintiff's Exhibit No. 90

BILL BARNETT CHEVROLET

November 28, 1960.

Atte: Mr. K. E. Staley

Mr. Ed Cole
Chevrolet Central Office
General Motors Building
Detroit, Michigan

Dear Mr. Cole:

May I call to your attention, or possibly you have already heard, of a very serious condition that exists in the Los Angeles and Orange County area here in California. I refer to the selling of New Chevrolets by 'discount houses' at retail in our area. The "discount houses," of course, buy there new cars and trucks from a few (approximately eight) Chevrolet dealers in this area. It is common knowledge and can be verified who these dealers are, but they continue to sell to these "discount houses." It seems to me and most of the other Chevrolet dealers in this area that if a dealer has so many new cars that he must dispose of them in this way, about \$50.00 over invoice, that he is being shipped too many automobiles and should be shut off by the factory. Especially when other dealers, including myself, are crying for 1961 models in this area and retail them on a legitimate basis, guaranteeing after delivery service to the customer, selling him a M.I.C. Insurance policy and a GMAC contract.

If this problem is not faced squarely by Chevrolet *and corrected* I and other dealers feel the entire Franchise system Quality Dealer Program, and Owner Relations Program are on the skids without much time remaining before a very untimely end.

May I also mention that it is very discouraging to a salesforce to lose a deal to a "discount house" because we must wait three to four weeks for delivery from the factory and the customer takes immediate delivery from "discount house A". Please find enclosed some comments of our

salesmen regarding this matter. Also enclosed are some copies of "discount house" ads.

I would be happy to cooperate in every way with Chevrolet in cleaning this very harmful situation up, but I firmly believe the only real cure must come thru the factory. As I write this letter I am looking at a sign on my desk mailed to me by you, reading "What have you done today to improve Owner Relations?" I sincerely hope this letter is a step in that direction.

Thank you, Bill Barnett

cc: Mr. K. E. Staley

AUTOMOBILE GOSSIP

WARNING!!!



It has recently been called to our attention that many Fedco members have been contacted, either by telephone or mail, by numerous automobile salesmen who represent themselves as Fedco auto referral representatives. In checking some of the purchase orders of individuals who bought cars through this ruse, we find that in most cases they have paid many, many dollars over the price available to them had they obtained a referral from any of the Fedco stores, *FRANCHISES*.

We would therefore like to suggest that before you purchase a car you check with the auto referral department for a referral to one of our approved dealers. We have an authorized representative at these agencies to assist you and save you money on the following cars:

COMPACT CARS

BUICK SPECIAL
COMET
CORVAIR
DODGE LANCER
FALCON
OLDSMOBILE F-85
PLYMOUTH VALIANT
PONTIAC TEMPEST
RAMBLER
RAMBLER AMERICAN
STUDEBAKER LARK

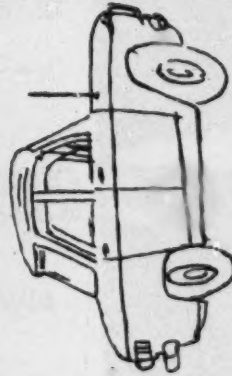
STANDARD SIZE CARS

BUICK
CHEVROLET
CHRYSLER
CORVETTE
DART
DE SOTO
FORD
DODGE
IMPERIAL
LINCOLN
CONTINENTAL
MERCURY
OLDSMOBILE
PLYMOUTH
PONTIAC
STUDEBAKER

IMPORTED CARS

BORGWARD
DATSUN
ENGLISH FORD
FIAT
HILLMAN
HUMMER
MERCEDES-BENZ
METROPOLITAN
OPEL
PEUGEOT
RENAULT
SIMCA
SINGER
SUNBEAM
ALPINE
TRIUMPH
VAUTHALL
VOLVO

ALSO LATE MODEL USED CARS



It is necessary to apply in person for a referral to one of our co-operating dealers, and your guest is also eligible to purchase a car through our system, if you will bring him into the store to apply for his referral. Your present car may be traded-in, if you so desire, and factory delivery on American-made automobiles is available at an additional savings in freight. See one of our auto referral desks soon!

GENERAL MOTORS
STUDEBAKER

[fol. 1296]

"THE BILLBOARD"

BUY . . . SELL . . . TRADE

DACHSHUND PUPPIES, standard, red, papers, A.K.C. — \$45. Phone Jackson 7-3676.

SHOTGUN 16-gauge pump Ithica Featherlite; some shells. \$75. Ph. JA 7-2123.

COFFEE TABLE and end tables Philippine mahogany. KE 5-2045.

OSTERIZER—Used four times. Receipt book included. \$10. TW 3-6342.

FRIGIDAIRE ELEC. RANGE for sale \$45. Tenor sax. \$100. Phone TA 8-6314

CAMPER'S ATTENTION — Travel-Queen Camper. Has everything. \$1000. Will include free ¾-ton Chevy truck in excellent condition. 11652 Nearing Dr. LE 9-4451.

HOUSETRAILER for sale. Westwood 27 ft., all metal, complete with gas range, electric refrigerator & furniture. Excellent cond. Only \$450. Mon.-Fri. after 6 p.m.; Sat.-Sun. anytime. Call PR 2-0497. 2351 Coronet Ave. West Anaheim.

AMERICAN FLYER on 6 x 8 layout; many extras. For sale \$35. 30" Roll-Away bed, \$10. LA 6-1712.

SMALL GIRL'S BIKE, 14". Good cond. but needs painting. \$7.50. Kenmore automatic electr. heater, excel. condition, \$10. Call LA 2-4993.

WALLACE STERLING SERVICE for 12. Call before 3:30 p.m. LA 2-4961.

LAWN & Yard maintenance. All power equipmt. Free estimate. Call LA 1-0848

LOST Grey wallet, at Gemco, Nov. 6. Please return to Gemco desk.

LADY'S HAND-KNIT DRESS—Rose; size 18; blue, size 16. Like new. \$25 ea. Dress shoes, new, size 8½AA. \$5 pair. JE 7-6035.

RELAXICISOR. Good condition. Phone JA 7-7078.

CITROEN '57 DS-19, beautiful condit., 32,000 mi.; also Norge auto. washer 1953, \$30. PR 4-0277.

BLONDE DINING ROOM table with 3 extensions & 4 chairs. Good condition. \$40.00 or make offer! KE 3-3016.

97 PC. FUKAGAWA DINNERWARE Imported "black rose" pattern. \$48. Underwood standard typewriter, \$40. Kenmore upright vacuum & bags. \$15.

GI LOAN BAL. \$10,980 on 3 bdrm. 2-bath home for sale. Near Westminster shoppg. bank, P.O. schools. TW 3-9868

GAS RANGE — Apartment size white Hardwick for sale. Cost \$25.00 Teleph. JA 7-6001.

STOVE—\$25. Light yellow, clean. Phone JA 7-4759.

IMPALA Convert. 1960. Power brakes & steering. Other extras. Sacrifice. Priv. party. JE 4-2672.

BICYCLE BARGAINS—Two 26" boys racer bikes. One 24" boys balloon tire with basket. Each \$18.50. 7861 Hopi Rd., Stanton. TW 3-8954.

CABIN CRUISER—20 ft., not quite finished, for sale. 35 h.p. new motor (Evinrude), gas tank, controls, complete Trailer. Call Jackson 7-3011.

CHILD CARE—Under 2 yrs. 632 N. Geneva St., Anaheim. JA 7-9887.

1956 MOBIL HOME for sale. 35' long, 8' wide. Furnished. LE 9-3598 up to 11 a.m. and after 4 p.m.

G.I. RESALE 4½%. 3 bdrm. home, 2½ baths, forced air heat, built-in kitchen, w. to w. carpet, drapes, fenced yard. Anaheim. KE 3-4265.

ELECTRIC AUTOETTE for sale. First class condition. Phone LA 5-3392.

BUY YOUR '61 AT GEMCO!

If you're thinking of a new car, you owe it to yourself to investigate our exceptionally low prices on any new car you wish to purchase. We can deliver the car of your choice at the store at savings of hundreds of dollars. Unbelievable? Why don't you call or drop in and let our courteous new car representative introduce you to this new method of merchandising automobiles.

5 1/2%
FINANCING AVAILABLE
(36 MONTHS)
20% DOWN

GUARANTEED AFTER-SALE SERVICE

ONE SHORT PHONE CALL TO PR-2-2000 GETS YOU:

1. The exact cost of the car you wish to purchase.
2. A very close estimate of what we will give you for your car in trade.
3. Your monthly payments.

REMEMBER: Your total insurance coverage may be included in your monthly payments if you wish.



GIFT WRAPPING & X-MAS DECORATIONS

12 OUNCE CAN MAJIC SNOW
In White
Usually .98
47¢
AT GEMCO

4½ FOOT ALUMINUM X-MAS TREES
Silver, green or pink.
4.88
AT GEMCO

Imported Italian tree ornaments
Deluxe hand-painted ornaments
Nativity Sets Dwarf Pine Cones
Tinsel Christmas light and
Ornaments Gift Wrapping
Ribbons, etc.
16" and 18" Wreaths in White,
Gold or Silver
Santa Claus Plaques
Under Tree Blankets
Spangles Tree Mats
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MERRY CHRISTMAS



GENERAL MOTORS

WHEN YOU SAVE ON THE NEW LOW 4½% AUTO FINANCE RATES AT FEDCO*

SAVE ON FINANCING • SAVE ON PURCHASE PRICE • SAVE ON INSURANCE COSTS
INQUIRE AT THE FINANCE-INSURANCE DESK AT YOUR FEDCO STORE — MAY WE HELP YOU?

(*Depending on down payment. Your Fedco Discount may apply on down payment.)

2

W. G. H. 1895

W. G. H. 1895

W. G. H. 1895

[fol. 1298] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 91

INTER-ORGANIZATION LETTERS ONLY

November 30, 1960.

Mr. L. N. Mays:

Here are some "discount house" letters which came up from Mr. Cole.

I sincerely believe that we must accelerate our action in this regard, with full support of the Corporation and Legal Department.

Will try to get time today to listen to the recording which you told me about last evening—and am anxious to have your letter of resume, so that I might advise Mr. Cole as to the situation.

Very truly yours, KES

KES mw

Attachs.

[fol. 1299] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 92

INTER-ORGANIZATION LETTERS ONLY

Chevrolet

November 30, 1960

Mr. L. N. Mays:

As per our discussion, we must be in a position to answer letters such as the attached concerning the "discount house" problem.

While you are attempting to get authorized letter from me to dealers, we should also draft a letter (approved by Legal) which can be in answer to specific communications such as the attached.

It is disconcerting to see that Mr. Henson states that Mr. O'Connor seems to be powerless, and without authority to do much about it, when you and I know that he has talked to dealers in this regard.

In other words, Lee, I'm talking about two letters. One to specifically answer Harbor Chevrolet and others—and two, a general letter to dealers stating our position in the matter.

This applies to all of the attached. We cannot wait much longer for the proper reply, and we need the full support of the Corporation and the Legal Department.

This threat to the franchise-system of distribution in this industry, in my opinion, is far more serious than the "boot-legging" situation we faced some few years ago. Moral suasion can only go so far. We need strong and immediate backing. We can secure that only from the Corporation, with proper guidance from the Legal Department. I'm willing to take any necessary business risks to step up to this deplorable situation, and would be remiss in my responsibility if I did not positively state that we must take such necessary business risks now.

Very truly yours, F. E. Staley

KES mw

Attachs.

[fol. 1300] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 93

MEETING HELD IN MR. H. E. CRAWFORD'S OFFICE ON
NOVEMBER 30, 1960

Attended by: Messrs. H. E. Crawford, Lee Mays, R. F. Schreitmueller, G. A. Greig, S. G. Gilliatt, E. D. Foley.

Meeting held to discuss the matter of car sales through large discount stores.

Mr. Mays pointed out that CMA (Consumers Mart of America) has 3 stores in Orange County, California, and is planning to put automobile desks in their 2 stores in Chicago and the 1 store in San Francisco.

Listened to part of a recording of conversations between a dealer, Mr. Chocran, and the Sales Manager of the automobile phase of CMA, a Mr. Myer, in which he outlines in quite some detail the method of operation. They buy the car from the dealer; register it in the name of an individual, generally a salesman of the discount house; remove the label and place the car on display either in a showroom or a suitable lot. Cars are sold at \$275 over dealer cost, with \$125 going to the dealer, \$25 to the automobile desk as rent and the balance is the salesman's commission and automobile desk profit.

Chevrolet is receiving many complaints from both dealers and salesmen by letter and telegrams, wanting to know what General Motors is going to do about this practice as it is costing them business.

Mr. Crawford requested that we obtain Dun & Bradstreet reports on all of these companies and ask them to have the information up to date—special reports if necessary—specifying that we are particularly interested in their activities with respect to the sale and offering for sale of automobiles.

Chevrolet is to select the best letters and wires as examples and with the assistance of Mr. Schreitmueller and Mr. Bridenstine, Mr. Mays will work to develop a satisfactory letter of reply explaining General Motors position. It is felt that possibly copies of that letter could then be

sent to all dealers as a matter of information since all dealers would be interested in a statement of General Motors position. It is proposed that such a letter would deal with the reasons why we are opposed to this program.

E. D. Foley

g

[fol. 1301] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 95

S & J CHEVROLET
Sales—Service—Parts
11900 East South Street—Artesia, California
Telephone: UNDERhill 5-1276

November 30, 1960.

Mr. E. N. Cole
General Manager
Chevrolet Motor Division
Detroit, Michigan

Dear Mr. Cole:

I am writing this letter to discuss a matter of the utmost importance to me, and to my brother dealer.

The problem that has arisen in Southern California is the trend towards Discount Houses. These places of business are delivering new Chevrolets and other makes of cars at \$100.00 over invoice; they have become very brazen with their advertising, and even have new cars on display. This type of competition is becoming increasingly more difficult to compete against because of their phenomenal growth. These Discount Houses have no selling expense or after-sale expense as their customers are told to take their car to their local Chevrolet Dealer.

There are only a few dealers in my immediate area who are delivering new Chevrolets to these Discount Houses; I am hoping that something can be done to stop these unscrupulous sales. My salesmen are encountering these deals more and more frequently, it is very discouraging to a salesman who is trying to make a profitable deal to be told by a customer that he can buy elsewhere for \$100.00 over invoice. At the rate Discount Houses are being built the situation will soon become critical.

I know that after you have reviewed the situation something will be done to alleviate this problem if it is at all possible.

Yours very truly, Donald J. Corrigan, President,
S. & J. Chevrolet.

[fol. 1302] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 96

December 2, 1960.

Gentlemen:

I have had people in to look at new cars, and that had intentions of buying. While in the process of making a deal the people would ask if we could match a deal the same way a discount house would.

After trying to make them understand about service etc. they still went to a discount house. Customer also said they could get just as good of service anywhere they bought the car, and beat the price. Every customer I've had, that said anything about discount houses said they could beat our deal by quite a margin, even a minimum deal.

R. M. Gilbert, Sales Rep., Bill Barnett Chevrolet.

[fol. 1303] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 97

December 2, 1960.

Gentlemen:

In the past few years discount houses have become an absolute disgrace to the Automobile Industry, especially the men who are depending on automobile sales as their livelihood.

I, as an automobile salesman have lost sale after sale to these discount houses. It is true that the low prices that are charged by these companys are almost impossible to meet at a legitimate dealership.

I believe in everyone making a substantial living, but I also believe that people should buy from a department store what a department store sells and leave the automobile sales to the automobile dealership and to the salesman.

A. P. Hofkins, Sales Rep., Bill Barnett Chevrolet.

[fol. 1304] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 98

December 2, 1960.

Gentlemen:

The other day some people named Sautter were in to look at a new parkwood wagon. They told me they were just looking at it here to make sure of what they were going to get through a discount house. The price they had was \$600.00 off of the retail list.

When I tried to explain our policy of service etc., they told me that the discount house had told them that whatever dealer they got their car from would service it as well as any other. As a result they felt they had everything to gain and nothing to lose by buying from the discount house.

Don Teague, Sales Rep., Bill Barnett Chevrolet.

[fol. 1305] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 99

December 2, 1960.

Gentlemen:

On announcement evening C.M.A. discount house discounted a 1961 Chevrolet to Mr. & Mrs. Willowby 17% off of a window price. They also promised delivery within 30 days. We could not meet the price or promise delivery within that period.

Within the past week we lost another new Chevrolet for the exact same reason. This time to Fed-Co.

Byron J. Booker, Sales Rep., Bill Barnett Chevrolet.

[fol. 1306] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 100

December 2, 1960.

Gentlemen:

Cal Stores forced us to take a \$100.00 gross profit deal on a new 1961 Chevrolet—C 2534.

This truck had lots of optional equipment on it and should have shown at least \$350.00 profit.

Mr. Maddox is an old customer of our firm and in order to protect our business we had to take the deal on this basis.

Larry Charrey, Sales Rep., Bill Barnett Chevrolet.

[fol. 1307] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 101

December 2, 1960

Gentlemen:

I've lost three prospective customers to discount houses that I know of. I feel that many of the people coming in have solid prices from these places and use them to compare our prices. To go below \$200.00 gross is not a common practice so I feel many car buyers leave our front door with a price of \$150.00 over. They do this rather than tell the salesman the price they have received from the discount house.

The Dealers must stop this supply of cars, a salesman can only hope for it. The Dealers are doing it so the Dealers must stop it, not salesman.

Stan Adams, Sales Rep., Bill Barnett Chevrolet.

[fol. 1308] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 102

December 2, 1960.

Gentlemen:

I have had several people recently that would not come to terms on a car because of Fed-Co or Cal Stores and we lost the deals because they were selling at much less than I could make the deals for.

I tried to convince them that they would not receive proper service or care on their car buying in this manner, but they were assured they would get good service.

I have called back on these people and they had bought the car at the figure quoted to them.

Casey Galvin, Sales Rep., Bill Barnett Chevrolet.

[fol. 1309] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 103

December 2, 1960.

Gentlemen:

I have lost three sales to discount houses that I know of and I believe there was about seven others that I could have put into a new car if they hadn't gone to a discount house.

I have delivered one Corvair to prospects after they had been to Fed-Co. The only reason we did put them into the car was the fact that we had the car they wanted.

Most of these people have come on the showroom floor and were definite buyers. I've given them demo rides and presented the features of the 1960 & 1961 Chevys, we got together in the closing booth and worked out a good offer or deal and they seemed to like it, but they wanted to go to the discount houses before they bought.

When I next contacted them they were in a new Chevy. Their deal was anywhere from \$50.00 to \$200.00 less than ours.

These people express their gratitude for the time I spent with them and I have been told that it was through my efforts that they decided to get a Chevy.

I believe that these discount houses are harmful to the New Car Sales because:

1. They don't sell the product.
2. There only advantage is cheap price, and when they sell cheap the customer is treated cheap.

Norm Christoffersen, Sales Rep., Bill Barnett Chevrolet.

[fol.1310] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 106

6 December 1960.

Mr. Bob O'Connor
Chevrolet Motor Division
3325 Wilshire Blvd.
Los Angeles, 5, California

Dear Bob,

As a result of our phone conversation, I had a set of pictures made as documentary evidence as to the Automobile Show, held by Gemco, November 11, 12, and 13th. A copy of their add from the Los Angeles Times is also enclosed which you no doubt already have.

If you find these pictures of any value to you, go ahead and use them. If they duplicate evidence you already have, please return them.

Yours very truly, Cone Chevrolet Co., C. D. Cone, Pres.
cdc/ewk

encl

[fol. 1311] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 107

Received December 12, 1960

December 6, 1960.

Mr. John Gordon, President
General Motors Corporation
General Motors Building
Detroit 2, Michigan

Dear Sir:

We are very much concerned over the establishing of discount houses in our area and are protesting the sale of Chevrolets by a few dealers to these discount houses.

After having served this area for over 32 years until we now have an investment of approximately three quarters of a million dollars, we now find our business threatened by such discount houses and unethical advertising.

We therefore ask your help in curbing such sales by these Chevrolet Dealers.

Sincerely yours, Harry M. Ostrom and Son, Harry
M. Ostrom, Partner, Harold L. Ostrom, Partner.

HMO:bb

c/o: Mr. F. M. Cole, General Manager, Chevrolet Division,
Mr. Gene Staley, General Sales Manager, Chevrolet Division,
Mr. R. M. O'Connor, Zone Manager, Chevrolet Division.

[fol. 1312] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 111

OWEN KEOWN CHEVROLET COMPANY
Lincoln & Washington Blvds., Venice
Phone EX 8-6243

December 6, 1960.

Discount House File

Mr. E. N. Cole, General Manager
Chevrolet Motor Division
General Motors Building
Detroit, Michigan

Dear Mr. Cole:

I have been informed that you have been advised by various dealers and your Los Angeles Zone office personnel of the serious problem created by many discount houses in this Los Angeles area.

As I see it one of the most serious results of this cancerous growth in our industry is that so many of the customers who are buying from discount houses are very unhappy with their cars because of the lack of service. The dealer who sells to a discount house retains very little gross and therefore does little or no pre-delivery service on the car.

You are aware of the caliber of the Los Angeles labor market and that our cars do not reach us in such condition that they can be delivered without pre-delivery service. The customer is always told he can take his car to any dealer for service which may be required. When the customer reaches our service department he has a long list of items that should have been corrected before the car was delivered. We do our best to explain that we would be willing to do any work on his car that would be necessary provided it was covered by Factory Warranty, but that he should take the car back to the selling dealer for free service work which is not covered by warranty. Almost always the customer is indignant because he had been told "to just take his car to any dealer and they had to give him the service."

We have had this problem of handling such customers diplomatically and not offending them for some time, but with the recent advent of so many new discount houses, all advertising new cars for sale, our difficulties have multiplied ten fold.

Your advice on how to proceed with this kind of customer will be most welcome.

Very truly yours, Owen Keown.

cc: Mr. R. J. O'Connor

[fol. 1313] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 112

SEABOARD MOTORS

Frank K. Swift—Frank K. Swift, Jr.

TERminal 2-0316

1831 South Pacific Ave.—San Pedro, California

December 7, 1960.

Mr. E. N. Cole
General Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Mr. Cole:

I realize that during the recent weeks you have received many messages from Southern California Chevrolet Dealers and Salesmen regarding the sale of new cars through "Discount Houses." However, we feel that this situation is so degrading and vicious that we would like to add our voice in a plea to help us stamp out this cancerous practice.

A discount house is a jeopardy to all facets of the automobile industry for the following reasons:

1. Demoralizes Salesmen and Dealers alike.
2. Creates confusion among buyers.
3. Provides a product distaste of the area surrounding "Service Responsibility".
4. They have no loyalty, investment, inventories and can never create customer goodwill.

We all belong to a great industry and no franchise is more sought after than Chevrolet. That is why we should not permit a few short sighted dealers to prostitute our great product which will eventually ruin our franchise system.

Mr. Cole, I am enclosing an independent publication which will show you the pulse in Southern California.

Thank you, we remain,

Respectfully yours, Frank K. Swift, Jr.

Enclosure:

FKS:mr

[fol. 1314] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 114

CHEVROLET-CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

Mr. K. E. Staley
L. N. Mays
Discount House Activities

December 12, 1960.

Dear Mr. Staley:

Per your request, attached is a *brief resume of discount house activities* in the sale of new Chevrolet products since this subject was first brought to our attention in St. Louis in August of 1958. You had indicated that you might want to forward this resume to Mr. Cole.

Approximately a week ago you received a letter dated December 2nd from a Mr. Frank Green, to which he attached a so-called "Auto Dealer Business Letter," bearing the same date, apparently published by someone in California for distribution among dealers. The latter dealt entirely with the discount house activities on the West Coast and gave perhaps the most complete story on this subject that we had seen. We, therefore, forwarded a copy of it immediately to Mr. Crawford's office, requesting a reply for your signature to this Mr. Green and, at the same time, feeling that the contents of this so-called "business letter" would be helpful in the statement of General Motors' position on this subject currently being drafted by the Sales Section and the Legal Department. Just in case you did not have the opportunity to read it, I am attaching a copy of this Auto Dealer Business Letter which, too, you might desire to send to Mr. Cole. Mr. Crawford advised me by telephone last Friday that they are hoping to have their statement on General Motors' position on discount house activities sometime this week.

Mr. Gilliatt just called me this morning to state that he had just had a call from Willmark Service System, Inc., stating that their New York office had not approved their

accepting our proposed assignment that they shop discount houses for us as had been proposed. They said that they normally preferred to deal only in contract business extending over a period of time rather than jobs of such short duration. This was quite surprising as the local Willmark manager last week had given us every assurance that they could and would like to have the job and he would be in contact with us today. It now appears that if we want to go ahead with this idea that we will have to make arrangements through either the Pinkerton or Burns agencies. We are checking now as to which of these two companies would be more apt to handle this type of assignment.

[fol. 1315] Almost daily we have been insisting on Legal Department assistance on some kind of reply letter, even if it had to be some sort of a stalling letter, to acknowledge the many letters from dealers and wires from salesmen on this subject. As late as last Friday, we were again told they believed such replies should not be made until General Motors' statement on this subject could be approved. Obviously, this is causing quite a delay in getting these replies on their way.

We will keep you advised of further developments.

Yours very truly, L. N. Mays

LNM/ec

Att.

cc: Mr. L. H. Averill, Mr. H. P. Sattler

[fol. 1316] RESUME OF DISCOUNT HOUSE ACTIVITIES
AS THEY APPLY TO CHEVROLET

This matter was first brought to Chevrolet's attention as a problem area in the St. Louis Zone as early as August 1958 when the St. Louis metropolitan dealers were complaining about the activities of G.E.M. (Government Employees Mart). At that time it was disclosed that Mr. Robert L. Wolfson, who was named in Paragraph Third and owned 25% of Feld Chevrolet Company, Maplewood, Missouri, has a sizable investment and is active in the management of G.E.M.

At that time this matter was brought to Central Office attention and Mr. Wolfson was advised that Chevrolet in no way would consider making product available for distribution through G.E.M. and that in the event he had automobiles on display and personnel located at this location, we would consider that he had established a branch location which would be in violation of his Selling Agreement.

The activities of this discount house have been observed continuously by the St. Louis Zone.

The matter was again reopened by the Sales Section of the General Motors Corporation and the General Motors Legal Staff in December 1958 at which time they reviewed Chevrolet's Central Office and Field files on this matter.

The activities of G.E.M. disclosed that basically the method of operation was a well organized and planned referral system for all makes of cars. G.E.M. works with a selected dealer with whom they have reached an agreement. The actual transaction takes place between the customer and the selected dealer with G.E.M. receiving a flat fee, part of which goes to the company and part of which goes to the operator of the automotive desk.

The G.E.M. stores are operated ostensibly for the benefit of members only. Such members qualifying on the basis that they work for some branch of the Federal, State or Local Governments or School Systems, with a membership fee normally in the amount in the area of \$2.00 to \$3.00.

It would appear that one of the real hazards of condoning this type of operation is that discounted prices are freely quoted to a large portion of the public.

The G.E.M. operation has expanded and now has branches

operating, to our knowledge, in Denver, Kansas City, Los Angeles and the Washington Metropolitan Area. These [fol. 1317] merchandising tactics have been more active in the Los Angeles Metropolitan Area. In addition to G.E.M., we are aware of six other discount houses operating with similar types of setups.

Since these merchandising methods have been expanding, it has been a disturbing influence to the normal retail activities of Chevrolet dealers and salesmen in the Los Angeles Metropolitan Area so that they have organized an activity of wires and letters to executives of Chevrolet and the General Motors Corporation.

The Chevrolet Los Angeles Zone has been making a continuing investigation of the activities of discount houses. Their investigation so far as disclosed in addition to referral type of operation that one discount house, C.M.A., is actually purchasing cars from dealers which they resell. This discount house plans to expand in the Los Angeles Area, as well as San Francisco, Phoenix and Chicago.

The activities of these discount houses have been the subject of review by Chevrolet, as well as the Sales Section and Legal Staff of the General Motors Corporation and is a very delicate matter inasmuch as it would appear at the outset there is very little legally that Chevrolet or the Corporation can do relative to referral agreements which dealers may have with certain individuals.

The C.M.A. method of operation is very comparable to the usual bootleg activities. The difficulty in coping with both of these situations is ascertaining how many cars a particular dealer is channelling through these outlets since on the referral basis the ultimate deal is made between the customer and the dealer and on the direct purchases and resale by the discount houses, the cars are apparently sold and registered to an employe or an associate of people connected with the discount house operation.

Chevrolet's current plans on this matter because of the seriousness of it in the Los Angeles Zone which prompted the many letters from dealers and salesmen is to formulate a reply to the dealers and salesmen that we have the matter under consideration, giving very serious thought to the matter and hope to be able to furnish them with more definite information at a future date.

It should be noted this activity is a national problem and we are concerned because of the expansion of the activity.

So that Chevrolet will have more definite facts on which to base any opinions or policies, it is proposed and arrangements [fol. 1318] are being made that the services of an outside investigating agency be engaged to make a shopping survey of some of the typical discount houses, carrying through if necessary to the purchase of an automobile from them.

S. G. Gilliatt.

SGG :bjm

12/7/60

[fol. 1319] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 115

GENERAL MOTORS CORPORATION
Detroit 2, Michigan

December 15, 1960.

Handwritten Note

Discussed with Averill 12/19 who is handling with field.

K.E.S.

U.S. Car Division

General Sales Managers

This has reference to the activities of discount houses in Southern California who engage in the sale of new cars. You are also familiar with the letters and telegrams which have been received from GM dealers and salesmen regarding this activity, addressed to Mr. Gordon as well as to Divisional executives.

Attached is a copy of reply over Mr. Roche's signature that is going forward today to each of the dealers who has written to Mr. Gordon.

A large number of retail salesmen have also sent letters or wires to Mr. Gordon. We are attaching a list of all of the senders of the letters and telegrams received from your dealers or retail salesmen, where such individuals can be identified from their wire or letter.

We would like especially to call your attention to the following paragraph from Mr. Roche's letter:

"The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement."

In accordance with this paragraph, will you please arrange to have the Zone Manager of your Los Angeles Zone contact each of his dealers in the Los Angeles area to discuss the subject matter of this paragraph. We feel that these contacts will also serve as a reply, to the salesmen of those dealers who have not written Mr. Gordon.

I shall discuss this matter in greater detail with you after you have had an opportunity to review the attached.

H. E. Crawford.

g

Attach.

[fol. 1320] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 116

GENERAL MOTORS CORPORATION
Detroit 2, Michigan

December 15, 1960.

U.S. Car Division

Discussed with Murray, Averill, Kennard Hudgins, Feely.

[Handwritten in Right-Hand Corner.]

General Sales Managers

This has reference to the activities of discount houses in Southern California who engage in the sale of new cars. You are also familiar with the letters and telegrams which have been received from GM dealers and salesmen regarding this activity, addressed to Mr. Gordon as well as to Divisional executives.

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I shall discuss this matter in greater detail with you after you have had an opportunity to review the attached.

H. E. Crawford.

g

Attach.

[fol. 1321]

December 15, 1960.

Mr. C. F. Henson, President
Harbor Chevrolet Corporation
3770 Cherry Avenue
Long Beach 7, California

Dear Mr. Henson:

This will acknowledge receipt of your letter of November 28, 1960, addressed to Mr. John F. Gordon, President, General Motors Corporation, referring to the increasing number of membership discount outlets in your area of sales and service responsibility offering new General Motors cars for sale to members and their friends. As you are no doubt aware, the Car Divisions of the Corporation have received similar letters and telegrams from a number of their dealers and employes of such dealership in different sections of the country.

The substance of these communications while varying in content, implies that General Motors Corporation as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new General Motors products. Some have even suggested that General Motors condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the General Motors Quality Dealer Program and the continuity of our efforts to implement the Program.

General Motors Corporation does not and has not sold its new passenger cars and trucks for resale to any outlets other than authorized General Motors dealers. Frankly, I believe every General Motors dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organizations of the Car and Truck Divisions.

[fol. 1322] Inquiries have been made, and we are advised

that these discount outlets either (1) purchase their General Motors motor vehicles from General Motors dealers for resale to members and their friends, or (2) by prearrangement with some General Motors dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the General Motors dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering General Motors dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

Where the motor vehicles are purchased from a General Motors dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing our deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used General Motors car from one of the so-called discount houses, he reportedly does not receive a General Motors Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized General Motors dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames General Motors because, as an owner of a General Motors product, he expects the same high degree of service which owners of General Motors vehicles have learned to enjoy over the years from the General Motors dealer organization.

[fol. 1323] While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, we

have at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the anti-trust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others [fol. 1324] who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealer Selling Agreements.

More importantly, arrangements of this type tend to down-grade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

General Motors Corporation recognizes the problems raised by the discount house new car merchandising activities in your area. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of [fol. 1325] distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

I would appreciate your reviewing this letter with your salesmen, so that they will more fully understand the position of General Motors with respect to the matters outlined herein. If any of your salesmen have written or wired us on this matter, this would serve as a means of acknowledging their letters.

Very truly yours, J. M. Roche.

M

[fol. 1326] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 117

INTER-ORGANIZATION LETTERS ONLY

Received December 21, 1960

December 16, 1960.

To: Mr. R. M. O'Connor, Los Angeles Zone

From: Mr. L. H. Averill, Central Office

This has reference to the activities of discount houses in Southern California who engage in the sale of new cars. You are familiar with the letters and telegrams, which have been received from dealers and salesmen regarding this activity, addressed to Mr. Cole, Mr. Staley and Mr. Gordon.

Attached is a copy of the reply going to the dealers who have written Mr. Cole and Mr. Staley, and in the content of same, you will note we have quoted the reply being sent over Mr. Roche's signature to those dealers who wrote Mr. Gordon.

We are attaching a list of all the senders of letters and telegrams received from your dealers and retail salesmen where such individuals can be identified from their wire or letter. The dealers who are being answered by Mr. Staley are so identified. The remaining dealers are being answered by Mr. Roche.

We would like to especially call your attention to the following paragraph from Mr. Roche's letter.

"The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of the dealers and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement."

In accordance with this paragraph, will you please arrange, through the medium of yourself, City Managers and

Assistant Zone Manager, to personally contact each of the [fol. 1327] dealers in the Los Angeles area to discuss the subject matter of the above paragraph. We feel that these contacts will also serve as a reply to the dealers and their salesmen who have not written Mr. Cole, Mr. Staley, or Mr. Gordon.

The above subject was thoroughly discussed at our Regional Managers meeting on Wednesday, December 14th, hence I am sure Mr. Cash will discuss this subject in greater detail with you.

After these contacts have been completed by Zone Management, we would appreciate your advising this office the results of your conferences.

Very truly yours, L. H. Averill, Executive Asst.
General Sales Manager.

LHA:rm

Att.

cc: Mr. L. N. Mays, Mr. R. M. Cash.

[fol. 1328] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 118

12-16-60.

Mr. Cash:

I was talking to Sid Gilliatt on the telephone today and he advised me that with respect to the discount house deal Jim Roach, G.M. Corp., is writing to Cone at Fullerton, Harbor Chevrolet at Long Beach, Fred Gledhill at Wilmington and Harry Ostrom at Montebello concerning the Corporation's viewpoints in this regard.

While the letter is quite lengthy, in essence it tells the dealers that we, too, dislike discount house operations, but cannot stop it. Any further letters of this nature will be answered over Mr. Staley's signature.

With regard to a publication, referred to as the "green letter", which apparently had been forwarded to the corporation by some dealer in Southern California—Mr. Roach will also reply to this. Sid further advises that the Corporation's Distribution Staff will meet next Wednesday at which time they will decide what will be done regarding publication of the Corporation's stand on the matter of discount houses.

R. D. Lund

[fol. 1329] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 119

CASA DE CADILLAC

14401 Ventura Boulevard—Sherman Oaks, California
Stanley 3-1430—State 4-9901

December 17, 1960.

Martin Pollard.

Mr. R. M. O'Connor
Chevrolet Motor Division
3325 Wilshire Boulevard
Los Angeles 5, California

Dear Bob:

I am sure it is no news to you that the automobile dealers of Southern California are in a highly inflammable mental state over the menace that the discount house holds over their future business existence. Their fears are well-founded and most everyone is convinced that the discount house will destroy the franchise dealer, the dealer's capital, and the franchise system, if not stopped now. Once this is accomplished, the factories will become victims of the creeping cancerous attrition of the discount house method of merchandising.

It is believed by many dealers that there is no escape, unless the discount house is attacked on all fronts and gradually pushed back until they are out of the automobile retail business. This is not a pretty picture.

About 90% of the dealers want to have a show-down fight now as a last ditch effort to preserve themselves and save the franchise system. They would like to have their respective factories back them up in this fight. If this is not possible, they are prepared to go it alone, and go all the way. This does not apply to GM dealers only. It applies to all franchised dealers representing all lines of cars sold in this area.

A meeting was held last Thursday, over which I presided. The main reason I chairmaned the meeting was because the Foothill Dealers picked up the tab for the luncheon. The meeting was attended by representatives of the three

Chevrolet dealer associations, and the purpose was to discuss ways and means by which the dealers could combat the discount house. Out of this meeting was born a committee instructed to take certain measures as directed. The chairman elected was Cap Reade. He intends to see you at once (I suppose he has by now) and explain the objectives of the committee. His reason for so doing is twofold: Out of respect for you as a man and as Zone Manager, and to assure you that the work of the committee will be out in the open and not behind your back.

It is my opinion that the meeting and the resultant committee is a good thing for Chevrolet and for Chevrolet business. I feel that the dealers who have been drawn together in a common defense of what is dear to them—[fol.1330] the financial security of their families—is a healthy condition. I feel now that the long wait and indecision is at an end, that the dealers as they go into action will replace their fears with courage, and you will end up being the head of the fightingest bunch of Chevrolet dealers anywhere in the U.S.A.

The fight for survival will lead to many good by-products. It will lead to a cohesiveness of a dealer-body that will crystalize into a better cooperative spirit in all things of mutual interest; a more cooperative team of dealers more determined to succeed over competition and less inclined to cut each other's throats, competitively. I feel this will greatly help in bringing back a respectable profit for their investment and for their efforts. This, then, will once again put the Chevrolet franchise back in the premium column.

I am sure that you and everyone at Chevrolet joins with me in high hope for success.

Sincerely, Martin Pollard.

MP:1

P.S. Please excuse the letterhead temporary. I am out of Chevrolet stationery.

[fol. 1331] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 120

Chevrolet Dlr. Org. & Anal. Dept. December 22 11:17 AM '60
Mr. R. M. Cash, Regional Office—Oakland
Mr. L. H. Averill, Central Office

December 20, 1960.

Yesterday we mailed you copy of letter addressed to Bob O'Connor with reference to the activities of discount houses in the Southern California area. I am sure you will agree this letter provides you with an excellent vehicle that can be effectively used in the selected dealer conferences you will hold in tune with our discussions at our Regional Managers meeting, Wednesday, December 14th.

In light of our discussions of this subject at the aforementioned meeting, I am sure you will want to lend your counsel to Mr. O'Connor and the members of his staff in the handling of their dealer conferences, as well as the importance of their being completed at the earliest possible date.

If there is anything further we can do to assist you from this office, please advise.

Very truly yours, Executive Asst. General Sales
Manager.

LHA:rm

[fol. 1332] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 121

February 7, 1961
Origin No. SM-63
C.O. No. 60-1079

Subject: Discount House Operations

CHEVROLET—CENTRAL OFFICE
Division of General Motors Corporation
Detroit 2, Michigan

December 29, 1960.

To: Regional and Zone Managers

“Have all serv. Reps. read,
initial & return.”

[Initials Illegible]

Attached for your information is a copy of a letter to all Chevrolet dealers dealing with the subject matter of Discount House operations.

You may recall I discussed this matter at quite some length at the last Regional Managers' meeting and I feel that the attached letter should give the dealers a full understanding of Chevrolet's position with respect to this matter.

Yours very truly, K. E. Staley, General Sales
Manager.

KES:G1

cc: Mr. L. H. Averill
Assistant General Sales Managers
Wholesale Organization

Attach.

[fol. 1333] CHEVROLET—CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

December 29, 1960.

To all Chevrolet Dealers

We are taking this means of acquainting all Chevrolet dealers with the problems incident to membership discount outlets offering new Chevrolet cars for sale to members and their friends and the position of Chevrolet with respect to this growing activity. We have received letters and telegrams from some dealers and employees of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Chevrolet Motor Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Chevrolet products. Some have even suggested that Chevrolet condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Chevrolet Quality Dealer Program and the continuity of our efforts to implement the Program.

Chevrolet Motor Division does not and has not sold its new passenger cars and trucks for resale to any outlets other than authorized Chevrolet dealers. Frankly, I believe every Chevrolet dealer knows this, but it appears that some of their employees may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Chevrolet motor vehicles from Chevrolet dealers for resale to members and their friends, or (2) by prearrangement with some Chevrolet dealers, they are in a position to make a deal with a

customer for a price and then refer the customer to the Chevrolet dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Chevrolet dealer reportedly pays a substantial [fol. 1334] portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

Where the motor vehicles are purchased from a Chevrolet dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Chevrolet car from one of the so-called discount houses, he reportedly does not receive a Chevrolet Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Chevrolet dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Chevrolet because, as an owner of a new Chevrolet product, he expects the same high degree of service which owners of Chevrolet vehicles have learned to enjoy over the years from the Chevrolet dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Auto-

mobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the [fol. 1335] antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Chevrolet Dealer Selling Agreements.

More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital

equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

[fol. 1336] Chevrolet Motor Division recognizes the problem raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Chevrolet wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Chevrolet Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Chevrolet with respect to the matters outlined herein.

Very truly yours, K. E. Staley, General Sales Manager.

[fol. 1337] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 122

JACK COYLE CHEVROLET
808 F St., San Bernardino, Calif.

January 4, 1961

Mr. K. E. Staley, General Sales Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Gene:

I have read and re-read your letter of December 29 with reference to the selling of new Chevrolets thru discount outlets. I agree wholeheartedly with the importance of preserving the value of the new car franchise, and will pledge my best efforts in that regard.

Your letter indicates some lack of familiarity with the finer points of this type of selling. On page 2, reference is made to a new-used Chevrolet being delivered to the customer without a new car warranty. This is not the case. The discount house in our area acts as a broker and delivers the new car complete with New Car Warranty direct from the selling dealer. I am sure this practice is not peculiar to San Bernardino.

About 18 months ago it came to my attention that the dealer in Eagle Rock was selling cars thru a discount house—the Union Stores of Montclair and Riverside. This is out of my territory but close enough to bear watching. Within a few weeks we got a rash of warranty work on new Chevrolets, all from Citizens Chevrolet at Eagle Rock. Upon questioning the customers, we found that an outlet had been set up in San Bernardino at Art's Used Car lot. Upon presentation of the facts complete with serial numbers, the Los Angeles Zone Office promptly put a stop to the deliveries in San Bernardino by this dealer. We estimate that at least 20 cars were delivered in this fashion, all complete with New Car Warranties. I do not wish to be unjust or unfair, but recently this same dealer (who used to be a

Chevrolet wholesale representative) commented that he was still moving many cars outside of his territory.

Obviously, Gene, not every dealer can move two or three times as many cars as are being registered in his own territory.

For what it is worth, may I suggest that Chevrolet supply each dealer with his needs, and large amounts in excess of this should be scrutinized to determine that the customers are legitimate (such as Hertz, utility companies, political subs, etc.).

[fol. 1338] Recently a new discount house opened in San Bernardino, called the Fore Stores. During a hectic week of full page newspaper ads, the operators brazenly announced the opening of the automotive department, and declared that all makes of new cars were available, including Chevrolet. To date we are not aware of any great success in this activity, altho several of my employes have joined the organization and have carried on negotiations with the department in an effort to find out how it works. Up until a few days ago, we could have purchased a new Chevrolet at any time.

In some petulance, we suggested to our District Manager that either the practice be stopped or we should "get on the bandwagon" and supply them with cars ourselves. We did not seriously present this suggestion.

Yesterday, January 3, our Assistant Zone Manager, Jere Faust called to tell me of a meeting held last week in Los Angeles by Mr. Roy Cash and some of the offending dealers. He reported that the dealers agreed to discontinue the practice immediately, and I hope the agreement will be honored by all parties.

Your letter mentions the fact that new car sales are not increased one iota by these outlets. More importantly, they threaten the goodwill of the dealer organization, the manufacturer, and the product, I sincerely hope your letter and its vigorous application by both dealer and wholesale organization will produce the results we seek.

Happy New Year!

Jack Coyle.

[fol. 1339] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 123

STACK CHEVROLET

Sales Dept.—687 S. Palm Canyon Drive
Service and Parts—330 Sunny Dunes Road
Telephone FA 4-9166
Palm Springs, California

January 5, 1961

Mr. K. E. Staley
General Sales Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Mr. Staley:

I received your letter regarding sales to Discount Houses.

I certainly want to commend you on your aggressive stand against such "Franchise destroying" activities; also, to commend you on the follow-up personal interviews that have already been handled by the wholesale personnel.

Great work, and thank you. Don't give up!

Sincerely yours, Stack Chevrolet, D. C. Stachler.

DCS:ec, cc: R. M. O'Connor, R. M. Cash, Lee Mays (Chevrolet Motor Division)

[fol. 1340] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 125

CHEVROLET-CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

January 10, 1961

Mr. Jack L. Coyle
Jack Coyle
Chevrolet
808 "F" Street
San Bernardino, California

Dear Jack:

I read with considerable interest your letter of January 4th and appreciated the attitude you, too, expressed with regard to the selling of new cars through discount houses.

We have been very encouraged by the cooperative attitude of practically all Chevrolet dealers as a result of the position expressed on this subject in my letter of December 29th, and from discussing the matter with various members of our field management. I am very hopeful that, through the voluntary cooperation of dealers, this form of vicious competition will diminish to almost the vanishing point.

While my letter of December 29th did not go into all of the details, we are familiar with many variations being used by the discount houses and that, where deliveries are made on a referral basis, the cooperating dealer does furnish the new car warranty. However, regardless of the procedure used, the end result is still the same and one which, in our opinion, could pose the most serious threat to date to the franchise system.

I also want to assure you that Chevrolet is very carefully watching its distribution to all dealers to be sure that no one can accuse Chevrolet of encouraging any kind of so-called bootlegging activity as a result of overshipping new products to a particular dealer.

Again, I want to thank you for your letter, and I hope that 1961 will be a happy, healthy and prosperous year for you.

Best personal regards.

Very truly yours, K. E. Staley, General Sales
Manager

KES/Mc

bcc: Mr. R. M. Cash, Mr. R. M. O'Connor

[fol. 1341] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 126

HARRY MANN
CHEVROLET COMPANY
5735 Crenshaw Boulevard
Los Angeles 43, California
Telephone: AXminster 4-6101

January 12, 1961.

Keep in our file. E. J.

Mr. Gene Staley
Chevrolet Motor Division
Detroit, Michigan

Dear Gene:

A few lines to express my appreciation for the position you have taken in regard to the Discount House evil and my thanks for the prompt action taken against them.

In my opinion they have dealt product loyalty, dealer loyalty, and dealer profits a bad blow and we must keep after them constantly to nip new plans for a supply source in the bud.

Best regards.

Sincerely, Harry A. Mann.

HAM/dr

[fol. 1342] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 127

Inter-organization Letters Only

CHEVROLET

Mr. Guig: For your "Discount House" file. Larry.

To: Mr. L. H. Averill, Central Office, Detroit

From: R. M. O'Connor, Los Angeles, California

Subject: Sales to Discount Houses, Referrals, etc.

January 17, 1961.

Dear Mr. Averill:

Our letter is in reference to your letter of December 16, 1960, to which was attached copies of the replies made by Mr. Staley and by the Corporation to dealers and salesmen in the Los Angeles Zone Area, concerning the above mentioned subject.

In accordance with your instructions, we have personally contacted each of the dealers in the Los Angeles Metropolitan Area, the Orange Metropolitan Area and those in the San Diego Metropolitan Area. We have discussed with them the subject matter of the excerpt you quoted taken from Mr. Staley's letter.

Our contacts were extremely well received, and I believe this action together with the letter they received from Mr. Staley, will materially alleviate the serious concern that had been evident on the part of many dealers.

We do feel, however, that complete correction of the problem will require constant scrutiny and follow-up on the part of all of us in the Los Angeles Zone. This we are currently doing. Our dealers and wholesale personnel alike, appreciate very much the position our Management has taken on this matter.

Very truly yours, R. M. O'Connor, Zone Manager.

RMO'C/jhm

cc: Mr. L. N. Mays, Central Office-Detroit; Mr. R. M. Cash, Pacific Coast Region.

[fol. 1343] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 128

Received January 20, 1961

CONE CHEVROLET Co.

320 South Harbor Boulevard—Lambert 5-2311
Fullerton, California

18 January, 1961.

Mr. R. M. O'Connor, Zone Manager
Chevrolet Motor Division
3325 Wilshire Blvd.
Los Angeles 5, Calif.

Dear Bob:

I am enclosing a shopping report that was made on Saturday, 14 January 1961 at Gemco on West Lincoln Ave., Anaheim. I believe you will find this information self-explanatory.

We also shopped CMA, South Los Angeles Street, Anaheim, Calif., and found signs indicating that they had temporarily suspended operations.

Bob, I feel that we have made good progress but it appears that some policeing and follow-through is going to be necessary to maintain the ground we have gained.

I wish to thank you and compliment the Corporation on the stand they have taken.

Yours very truly, Cone Chevrolet Co., C. D. Cone.

cde;ewk

1/24 Delivered to Robt. Chico on 12/31/60 taken back on
1/20 shown on DMV form 107—now driven by service
manager.

[fol. 1344]

May

*Report on Gemco New Car Department
January 14th, 1961*

No new cars on show on the lot, but I did see a 1961 Chevrolet Impala Sport Coupe in the parking lot which looked like it might be ready for delivery. Serial #11837L134614. Just registered with paper plate #0862706. No registration on windshield. Sticker showed dealer as Citizens Chevrolet.

New Car Office

Located inside building with three men. Literature available on all makes of car with factory fact books and color guides on most makes. All three men were busy when I went in and seemed to have plenty of prospects throughout the time I was there. Finally talked to a salesman Mr. Jim Kohn and asked about a 1961 Chevrolet Impala Spt. Cpe. and he gave me the following figures:—

2345.43)	
37.00)	Car
83.00	Small V8
154.70	Powerglide
51.04	Radio
57.69	Heater
58.55	Power Steering
24.35	WSW tires
15.50	Tinted windshield
<hr/>	
2827.26	
113.09	Sales Tax
61.00	License
<hr/>	
3001.35	
601.35	Trade in (1956 Chevrolet Bel Air 4dr.)
<hr/>	
2400.00	

36 payments of 77.71.

In answer to specific questions his answers were as follows:—

Availability--depended on the model and equipment selected but was normally one to three weeks.

Price--compared with normal dealer prices he assured me that Gemco could save me several hundred dollars.

Service problems—I mentioned that I had heard from a friend who bought a car at a discount house that local dealers would not service the car under the factory warranty. His reply was that this had been true in the past in some cases, but that if I bought from them there would be no problem as they themselves did some of the service there, and if not they would take it to the selling dealer for me. This would be handled so that I would not lose any time getting service, as I explained that my work was such that I could not take the time to wait around or drive too far for service.

Financing—I mentioned Credit Union, but he assured me that they would finance for $5\frac{1}{2}\%$. When asked what bank or finance company, he said that due to the low rate of interest they had to shop around for outlets to sell their paper, but I could be assured that it would be a reputable bank or finance company.

Insurance—They had signs advertising Accident & Health insurance, and he said that they could cover the car with collision insurance but not liability.

[fol. 1345] Trade In—When I mentioned that I had a car to trade, he sent me over to the Autorama Used Car lot next door for an appraisal. I then went back to Kohn to get the appraisal figure and the final figures on the deal.

Demonstration—I 'phone later in the afternoon and said after talking this over with my wife she had decided that we should take a demonstration drive. His first suggestion was to go to a local dealer, but then said that if I went over during the week I could drive the manager's car.

Delivery—Would be made at Gemco.

In conclusion I would say that Gemco still have a flourishing new car dept. and apparently have no trouble getting cars of any make. During the time I was there, they had a steady stream of prospects and the appraiser seemed to be busy giving appraisals. Perhaps the actual purchase of a car would provide more details of the organization and more concrete evidence to work on.

[fol. 1346] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 129

ALLEN GWYNN

Chevrolet

Where Los Feliz crosses Grand in Glendale, California

Chapman 5-6821

Citrus 4-8411

A Better Service for Better Driving

January 21, 1961.

Mr. K. E. Staley
General Sales Manager
Chevrolet Motor Company
General Motors Building
Detroit 2, Michigan

Dear Sir:

I was delighted to receive your letter relating to discount houses and bootlegging of new Chevrolet products by franchised dealers.

It has become so bad that unless you are really serious in the enforcement of your convictions in this matter your dealers will be forced out of business by lack of profit.

Many of the evils have been brought about by giving Chevrolet Dealers three and four times the units their planning potentials called for.

The other divisions of General Motors apparently are doing nothing about this problem. Some of my friends have not had it even mentioned to them.

Ford and American Motors seem to be going along with Chevrolet thinking, which is all to the good.

I sincerely hope that you will have your local zone people really police the selling of New Chevrolet units to discount houses and referral houses.

Yours very truly, Allen Gwynn.

AG:js

cc: Roy Cash, Oakland, Calif. Robert O'Connor, Los Angeles, Calif.

[fol. 1347] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 130

BILL BARNETT CHEVROLET
1440 East Compton Blvd.—Compton, California
Phone Compton NEwmark 9-3060
Los Angeles NEvada 6-3208

January 25, 1961.

Mr. K. E. Staley
Chevrolet Central Office
General Motors Building
Detroit, Michigan

Dear Mr. Staley:

I would like to take this opportunity to express my thanks for your very recent cooperation in assisting to clean up the discount house problem here in Southern California. To my knowledge things are once more back to normal and we certainly hope will remain that way for some time. However, I would like to point out that I believe it important that a constant vigil be kept on the subject. For we know that discount houses are attempting to gain merchandise for their automobile divisions through phony leasing companies and dealers in other parts of the country. We have alerted all of our people and as soon as any of these 'boot-leg cars' appear on the market our local zone office will be the first to hear of it.

Talking to all of the other dealers in our entire Los Angeles zone it is certainly very encouraging to see their enthusiasm over the manner in which you and Chevrolet stepped up to the problem and did something about our discount houses in this area.

Once again I would like not only to extend by own thanks to you and your staff but also the thanks of all of my employees and all of the Chevrolet dealers in this entire area who I am sure you have heard from or will hear from in the very near future. Thank you.

Very sincerely, Bill Barnett.

cc: Mr. Ed Cole

[fol. 1348] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 131

CONE CHEVROLET CO.
320 South Harbor Boulevard—LAmbert 5-2311
Fullerton, California

25 January 1961.

Mr. Gene Staley, General Sales Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Mr. Staley:

I wish to thank you for your letter of December 15, 1960. I whole heartedly agree with its contents and also compliment you on your thorough knowledge of the "Discount House" situation as it exists in Southern California.

If the "follow through", that you mentioned in your letter is maintained on a constant basis, I am sure that we will up-grade the franchise system of selling and substantially improve our customer relations. Also it will become possible to hire and develop higher class young people in the retail automobile business.

I congratulate you for the stand that you and the corporation have taken.

Yours very truly, Cone Chevrolet Co., C. D. Cone,
president.

CDC:kh

[fol. 1349] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 132

SEABOARD MOTORS

Frank K. Swift Frank K. Swift, Jr.
1831 South Pacific Ave. San Pedro, California
TErMinal 2-0316

January 26, 1961.

Mr. K. E. Staley
General Sales Manager
Chevrolet Motor Division
General Motor Bldg.
Detroit 2, Michigan

Dear Mr. Staley:

I wish to personally thank you for your letter and interest pertaining to the Discount Houses in Southern California. Your commendable action on this matter has definitely brought the situation under control among the dealers of this area. Because of your action, the moral of Dealers and Salesmen alike have improved and I know that it will increase customer loyalty to Chevrolet.

Thank you for a job well done.

Respectfully yours, Frank K. Swift Jr.

FKS:mr

[fol. 1350] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 133

EDDIE HOPPER CHEVROLET
10511 Garden Grove Boulevard
JEfferson 4-2700—HEmlock 2-6411—MAdison 5-2963
Garden Grove, California

Discount House File JSF

January 26, 1961.

Mr. Jere C. Faust
Assistant Zone Manager
Chevrolet Motor Division
3325 Wilshire Boulevard
Los Angeles 5, California

Dear Mr. Faust:

We have complied with your telephone request to contact the "Gemco" Organization in regard to the purchase of a new car. This contact was made by John N. Armour who requested prices on a four door "Monza."

Mr. Armour talked with Mr. Jim Webb and was informed that prices on the four door car were not available, but they expected information in the near future. on Jan 18—

Mr. Webb did quote prices on a two door "Monza" and stated that delivery could be made within three or four weeks. Mr. Armour raised questions regarding the servicing of the car and was informed as follows:

1. On the thousand mile check the car was to be returned to "Gemco" and left for them ("Gemco") to have the work performed. This service would take one or two days. During this time, "Gemco" would not furnish a car for the customer, and said customer would have to shift for himself. Further, that it might be possible for "Gemco" to arrange to have the customer returned to his home or work. No mention was made regarding the arrangements for returning the car to the customer.
2. Any further service adjustments, etc., the customer could or should contact any Chevrolet dealer.

At the close of the interview, Mr. Armour was informed that Mr. Webb had just discovered a notation that the four door prices were \$54.00 more than the two door.

This contact was made about 1:00 P.M.

I instructed Mr. Armour to purchase the car, and about 4:00 P.M. of the same day, he returned to the store to do so.

At this time, he was informed that it would be impossible to accept an order for the car. The reason given was that they were changing their license (to sell cars) arrangement [fol. 1351] and until this change was accomplished it was illegal for them to sell cars, and that they would be subject to severe penalties; that the Motor Vehicle Department was very strict in this regard, and that they could not take chances. He was told to return on Tuesday of this week.
Jan 24

On Wednesday, Mr. Armour returned to the store. Mr. Webb was not present, but he was informed that the license arrangements were not completed.

Mr. Armour asked about all this red tape, that if they had a license to sell, why would different arrangements be made. The reply was that in the past the car operations had been conducted by an outside concern, and that they were eliminating this concern and that in the future it would be under the store name. That they believed the change would be much better for everyone concerned.

Mr. Armour then requested information regarding the possible time they could accept orders. The reply was that such changes take time, and that it was very indefinite when completion of the transfer could be effected. That it was necessary to have an inspection before they could expect to have the new license.

Yours very truly, E. N. Hopper, President, Eddie Hopper Chevrolet.

ENH/wly

[fol. 1352] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 134

CONE CHEVROLET Co.
320 South Harbor Boulevard—Lambert 5-2311
Fullerton, California

26 January 1961.

Mr. Bob O'Connor, Zone Manager
Chevrolet Motor Division
3325 Wilshire Blvd.
Los Angeles, 5, California

Dear Bob,

I am giving you the latest information as to what appears to be a flagrant violation of our *discount house* agreement.

The purchasers, John and Lavinia J. Nefrony, 2043 Gale Lane, Anaheim, home telephone LE 9-3286, office phone, JA 7-7731, took delivery yesterday, January 25th of a Chevrolet, Model 1837, white, Serial 11837L14264. Selling dealer, Citizens Chevrolet. They reported that they had made the purchase approximately 15th January, and was referred by A.B.C. in Santa Ana, to Bill Spoo of Citizens Chevrolet, Eagle Rock.

They were in turn, told that any service needed done could be at Cone Chevrolet Co. as they were a very reputable concern. The items of service necessary were all of a pre-delivery nature. John and Lavinia Nefrony would appreciate a telephone call from Chevrolet Motor Co.

Bob, this is the connection that Cormier in Long Beach, formerly handled.

Last week, A.B.C. was contacting dealers in Orange County, namely Tommy Ayres Chevrolet, Laguna Beach, Calif., trying to find an outlet for fifteen orders which they had on hand.

Yours truly, Cone Chevrolet Co., C. D. Cone.

cde;ewk

Toland to Hend 1/30—2:15 pm. will give me details.

[fol. 1353] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 135

Received February 7 1961, J. M. Roche

DON STEVENS CHEVROLET
401 West Whittier Blvd.—La Habra, California
OWen 7-6705

February 1, 1961.

Mr. Jim Roche, Vice President
Chevrolet Motor Division
General Motors Corporation
General Motors Building
Detroit, Michigan

Dear Mr. Roche:

Just a note to thank you for the stand you and General Motors have taken in stopping the sale of Chevrolets in discount houses. I believe this move will substantially help the dealers, and will certainly increase the value of the Chevrolet franchise.

I enjoyed talking with you at the Chevrolet party at the recent NADA convention, and it certainly is reassuring to find men of your caliber helping to direct the destination of General Motors and its dealers.

Very truly yours, Don Steves Chevrolet, Don Steves.

DS:nm

[fol. 1354] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 136

GUARANTY CHEVROLET
First (illegible) Santa Ana
Kimbrelly 3-9311

February 4, 1961

Mr. R. M. O'Connor
Zone Manager
Chevrolet Motor Division
3325 Wilshire Blvd.
Los Angeles 5, Calif.

Dear Bob:

Just a note to express the appreciation of our entire organization, as well as myself personally, for the wonderful job that you did in stopping the sale of Chevrolet products to discount houses.

This did more to boost the morale of our Sales Department than anything else that could have been done.

Should you need our cooperation in any way, please do not hesitate to call.

Thanks again.

Very sincerely yours, Guaranty Chevrolet Motors,
Marty Lockney, President.

ML:ep

[fol. 1355] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 138

LOSOR CHEVROLET DEALERS ASSOCIATION

HEmlock 5-4844

Room 2, Security First National Bank Building
First Street at Pine Avenue
Long Beach 2, California

On Tuesday, *February 14th*, Mrs. Judy Hyer and myself went to the Gemeo Discount House on the pretext of buying a new Chevrolet. We were met by a Mr. Jim Webb in their new car department. I asked him if it were possible to buy a Chevrolet thru their store and he replied, "Oh yes, we can get you most any model you wish." Trying to act like I didn't know too much about cars I told him we had finally agreed to help my son buy a new car and we had been shopping around to try and get the best deal possible and that he had decided on a hard top sport coupe Impala with the normal options. He looked in a book he kept on his desk and said that this particular model would be no problem to get immediate delivery on. With that, I told him just what we wanted on the car and he wrote it all down on a pink piece of paper and handed it to me so I could compare his price with the prices I had supposedly obtained from other dealers. While I was checking the prices he made the statement that he was glad that we had shopped around as no one could possibly beat their deal as they had no overhead and could make you a deal which amounted to about \$150.00 over the dealer cost. I pretended to be very pleased with the deal and asked him how much down I would have to have and he said a deposit of a \$100.00 would guaranty delivery of the car. With that, I told him that we wanted to know where the car was coming from so that if anything were wrong we would know where to take it back and also where we should get it serviced. At this point he began beating around the bush. He stated that the car would be fully serviced upon delivery and that we could take it to any Chevrolet dealer for future service or bring it back to them as they had a service department. As far as a guaranty, we not only were protected by the Chevrolet war-

ranty, but Gerco was a million dollar business and stood back of all merchandise that was sold thru them. With this statement he began running other discount houses down and telling their type of operation.

Mrs. Hyer and myself continued to chit chat back and forth and said we were satisfied and that we would take the paper over and show my husband and if he were satisfied we would get the money for the deposit and return. With that, we left and went to a public telephone and called me Don Steves and told him of our conversation. He told us to go back and give him the \$100.00 on the condition that we could take delivery by Friday, February 17th and also that we had to know where the car was coming from.

We went back and reported to Mr. Webb that my husband was very pleased with the deal but only on the condition that we could take delivery by Friday, as it was worth the extra money to buy it elsewhere and get the boy a car and off our back, and also, he had been reading about all these snow bound cars and he wanted to take delivery of the car at the dealership supplying the car. All this time I am sitting there with the money clutched tightly in my hand and he wasn't about to let me get out the door. He made the statement that he could show by husband the serial number on the car and prove the car was made in Van Nuys. He [fol. 1356] said that right at the moment he couldn't tell where he would get the car as they had a number of places they could go. He finally agreed that he would call and take my husband and I up when the car was ready. However, I have the feeling that the car will be delivered right at Gemco's door. He did make the deposit refundable if they could not deliver by Friday. Our purpose in hurrying them was to be sure we didn't get stuck with a Eastern car.

Mr. Webb then wrote up the deal, gave us our receipt. He check with an older gentleman on definite availability and he said there won't be any problem on that model. As we started to leave, he said I may even be calling you tomorrow as I feel sure we can get this car located today.

The above are highlights of the conversation between myself and Mr. Jim Webb

Evelyn G. Davis.

While we were there, the gentleman at the next desk waited upon 6 couples asking questions regarding the purchase of a new car. Of the 6, 3 couples were interested in Chevrolet. Only one couple sat down and got prices and that was on a 927 (Monza coupe).



2310 WEST LINCOLN * ANAHEIM, CALIF.
PROSPECT 2-2000

G • E • M • C • O

DISC NEW CAR DEPARTMENT

Jim Webb

* BETTER BUYING MEANS BETTER LIVING *

GENERAL MOTORS

~~2993~~

782

RECEIPTDate 2-14 19 61 No. **7384**Received From Evelyn PalmerAddress 1927 Montague FullertonOne Hundred & 1st Dollars \$100.00
1961 Chevrolet

ACCOUNT		HOW PAID		
AMT. OF ACCOUNT		CASH		<input checked="" type="checkbox"/>
AMT. PAID	<u>100.00</u>	CHECK		
BALANCE DUE		MONEY ORDER		

By Elizabeth Angell

BK 5087 Redline

GENERAL MOTORS

3994

[fol. 1360] Disc New Car Department
Jim Webb

Chev. Imp. 2 dr. Hd. top.....	2370.43
P. G.....	154.70
P. S.....	58.55
P. B.....	33.10
T. Glass.....	29.30
R.....	51.04
H.....	57.69
W. S. W.....	24.35

V8—170.....	2779.16
	83.00

Tax.....	2862.16
Feb. 1961 Lic.....	114.49
	60.00

3036.65

[fol. 1361]

Down.....	3036.65
	636.65

Int. 3 years.....	2400.00
	395.76

Payments \$77.66—36 MO.

[fol. 1362] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 139

EXTRACT FROM MINUTES OF 16TH PRESIDENT'S ADVISORY
COUNCIL

February 14, 15, and 16, 1961

Remarks by
William G. Nugent
A. E. Nugent Chevrolet
Los Angeles, California

Mr. Nugent

The dealers in our area want to thank you on the action that you took on the discount houses. It was really handled efficiently and they have requested that I thank you and that you continue to follow this program up.

[fol. 1363] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 140

Rec'd February 16 1961

COLLIAU CHEVROLET COMPANY
711 Fair Oaks Avenue—South Pasadena, California
SY 9-4101—MU 2-2151

February 15, 1961.

Mr. Gene Staley, General Sales Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Gene:

A brief note covering two points. First, thanks a million for the lovely party you put on for the *Dealer Group at the NADA*. It has come to be, as I am sure you have been told many times, one of the highlights of the *NADA Conventions*.

Secondly, thanks for everything you did to help us with the *discount store* problem we had here in Los Angeles. Two of the dealerships most deeply involved in supplying the discount houses with cars were two neighboring dealers of mine. Rumor has it that one is still involved on a limited scale, but the overall situation has cleared up considerably.

I learned just yesterday that the former manager of the automotive department for one of the largest chains of discount stores has just been approached to return to his former position because of a possibility of the reopening of their auto departments. He was told that they were assured of a substantial supply of cars (he didn't specify what makes) from Texas and the East.

It is my feeling, however, that the prompt action taken by Chevrolet has probably brought an end to the vicious situation we were facing.

The only two problems still facing us, along the lines of the above, are the phony fleet companies and the frequent

bootlegging of new cars to used car dealerships in Southern California. I am sure, if you continue the aggressive job you did on the discount houses, that these two cancerous conditions can be cleaned up.

Thanks again for your prompt action and your sincere interest in dealer welfare.

Very truly yours, E. H. Colliau.

EHC:s

CC: Bob O'Connor

[fol. 1364] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBITION No. 141

To whom it may concern:—

I, Inez A. Oelwein on this date, February 25, 1961 at eleven A.M. entered MORE Inc. located at 3443 Sepulveda Boulevard. As I approached the "Castle Sales" booth, I noticed a 1961 White Plymouth Savoy on display with a retail sales price sticker pasted to the left rear window. I approached the desk and was greeted by a Mrs. Enright. I asked her if she also handled the Chevrolet line. She said, "Yes, do you know what you want?" I replied "yes, I know exactly what I want, I have been shopping around." She said, "You should shop around, before you check with us." I told her I wanted a 1961 Chevrolet Impala Sport Coupe —with the 170-V8 Motor, powerglide, manual radio, recir-[fol. 1365] culating heater, tinted windshield, white side wall tires, padded dash, power steering, and side mirror. As I listed these items she wrote them on a piece of paper, then referring to a large black loose leaf binder with plastic enclosed pages wrote prices on this piece of paper. She quoted me a price of \$2807.00 plus tax and license, giving me nothing in writing. She then told me of the difficulty with car manufacturer, and their crack down on discount houses, showing me a magazine opened to an article headed roughly with title "Manufactures crack down on discount houses." This was an oversize magazine printed on shiney white paper. I could not see the name of the publication. I [fol. 1366] told her I wanted to deal today, because of working, Saturday afternoon was my only free time, and I was selling my own car on the following Monday. She said she doubted if she could contact her "man," that he was delivering a car to one of their customers. I insisted I wanted to deal "now." She phoned one number, asking for "Joe," and was evidently told he was not in. She phoned one more number, evidently getting the same response, however she said she would "call him at Citizens, but if she missed him to have him call her right away as she had a woman who wanted to buy immediately." She called a third number, [fol. 1367] asking for "Joe," and located him. She repeated,

while I was still at her desk, that I wanted a car and wanted one today. She asked how long he would be there, then asked me if I could make it to Eagle Rock by 12:15, that he would wait till then for me. I agreed and she wrote the name and location of the Citizens Chevrolet on a slip of paper with the name of "Joe Palooka" and told me to ask for him personally, and not to mention *MORE Inc* as if I did, I would get *no place*. This slip in Mrs. Enright's handwriting, I enclose.

I arrived at Citizens' Chevrolet at 2030 Colorado Blvd, in Eagle Rock at approximately 12:30. There were several [fol. 1368] men "on the floor." One of the salesmen asked if he could help me. I asked for "Joe Palooka." He indicated a man talking on the telephone, saying he would be with me in a few minutes. At the termination of his telephone conversation, he approached me, calling me by name, Miss Oelwein. He said, "let us go out back and look at the cars." We went out to the service department where several cars were located. Taking me to one side, he said, "Don't mention More." I replied, I had been told by Mrs. Enright, not to. He asked me if she had quoted prices—I said yes, that I knew exactly what I wanted and its cost. He asked [fol. 1369] me if I had a color preference. I said no. He showed me several cars on the floor, I asked if that was the extent of their stock. He said "no, we've a couple hundred cars. I told him I had seen one in a parking lot that I liked in a creamy beige color. He said, I am sure we have one. He called an Edyth Karl over and asked her to see if they had one in stock. She went to the office and returned with a tray of cards on cars in stock, saying they had only one in stock. She showed me the card with the list of equipment on the car. I said it was precisely what I wanted. "Joe Palooka" (age between 30 and 40, height approximately 5' 10", husky—dark hair, swarthy, rough complex- [fol. 1370] ion.) and I went into an office where I was introduced to one Mr Ed. Dragna who was busy with other customers. "Joe Palooka, on introducing us said to Mr Dragna, "This is the woman I told you about earlier that was coming in." I asked "Joe" how much this particular would run. Mr Dragna told "Joe" to figure it out. "Joe", on a piece of scratch paper wrote figures and totaled them to \$2828. He told me he was "just an outside man" and was going to have

to leave, and that he would have the order written up for me by some one else. He called Edyth Karl in who, using the total figures written by "Joe Palooka", wrote up the order and signed same. I enclose, the duplicate. I handed [fol. 1371] her a personal check in the amount of \$25.00 made out to Citizens' Chevrolet, and am to take delivery of this car, a new 1961 Chevrolet Impala Sport Coupe, Almond Beige in color—serial # 11837L-108868 on the afternoon of February 28, 1961.

I hereby swear that the statements herein are true, and that I am willing to so state in Court and under oath.

Inez A. Oelwein, 2420 Yearling St., Lakewood, Calif.,
More Inc., Membership card # 135691.

GENERAL FACTORS

[fol. 1373]

CITIZENS CHEVROLET Co.
2030 Colorado Blvd.
Eagle Rock 41, Calif.

Edythe Karl or Eddie Dragna

Telephone CLinton 5-1491

Joe Palooka, Citizens Chevrolet, 2030 E. Colorado
Blvd., Eagle Rock.

[fol. 1374] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 142

Rec'd March 6 1961

BOB ERSKINE CHEVROLET

363 East Holt Avenue, Pomona, Calif—Na 2-1136

March 3, 1961.

Bob O'Connor
3325 Wilshire Blvd.
Los Angeles 5, Calif.

Dear Bob:

In a recent Motor Recorder I noted that *Bruder Chevrolet* had delivered a new new Chevrolet to one Jack Cork, 1401 Bonita Ave., La Verne, Calif.

Subsequently, we called on Mr. Cork who advised us that he had purchased this new Chevrolet from (or through) Fedco in San Bernardino and had taken delivery from Bruder Chevrolet in Hollywood.

Mr. Cork would not give us a copy of the order but he did state that he took delivery on January 19, 1961.

We thought you would want to know about this.

Sincerely, Bob Erskine.

BE:jg

cc: Fritz Bruder, 5950 Hollywood Blvd., Hollywood, Calif.

Mr. O'Connor:

Fritz Bruder called today (3/6/61). This car was ordered 12/19/61 and delivered 1/19/61. Was one of the orders on hand at the time of your conference.

DWH.

[fol. 1375] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 143

Rec'd March 20 1961

COLLIAU CHEVROLET COMPANY
711 Fair Oaks Avenue—South Pasadena, California
Sy 9-4101—Mu 2-2151

March 17, 1961.

Mr. Gene Staley, Gen. Sales Manager
Chevrolet Motor Division
General Motors Building
Detroit 2, Michigan

Dear Gene:

A group of dealers representing the three Los Angeles dealer associations just met with Mr. Bob O'Connor to present to him information concerning *discount house operations* in this area. We played a tape recording of a complete transaction covering the purchase of a Chevrolet through a discount house up to and including the delivery of the car to the buyer who was taken to the dealer by the discount house representative. Mr. O'Connor has the tape and I believe expects to call the dealer in and play the tape for him.

It appeared, a few weeks ago, as though the discount house operation was on the way out. Now, it appears, they have found new sources for Chevrolets (and other cars) and are in the process of again opening up full blast. Only a few of them have been quiet during this interim; some have continued their operation but on a semi-undercover basis.

Two of the interesting things brought out in one of these tape recordings and a fact which I have heard voiced on many occasions by people who have purchased through discount houses, are the following:

1. The discount house salesmen tell customers they get the cars *direct from the factory*, or that the factory ships the cars direct to one of their "Associates".

2. The discount house salesmen tell the customer that regardless of how delivery is made of the car, the buyer can look to any Chevrolet dealer for complete servicing and warranty work because the factory warranty gives him this assurance.

[fol. 1376] I made a suggestion to Mr. O'Connor, which was concurred in by the members of our group and welcomed by Mr. O'Connor, covering a program Chevrolet might follow that would help overcome our discount house problem. On my way back from the meeting the thought occurred that the suggestion would not only benefit Chevrolet, but would possibly be of interest to other divisions of the corporation.

My suggestion to Mr. O'Connor was simply that Chevrolet—on its own—publish one or more advertisements in the local papers in our area where discount houses operate, stating in substance, the following:

"Chevrolet Motor Division ships new Chevrolets and sells them *only* to its authorized Chevrolet dealers. Chevrolet cars are not supplied by Chevrolet Motor Division to any other organization or outlet. No one but a franchised Chevrolet dealer can buy new Chevrolets from the factory. To purchase a new Chevrolet, properly prepared and conditioned for delivery, and carrying the full factory warranty, it is suggested that you visit your local authorized Chevrolet dealer."

Actually, I think we could even go beyond the above paragraph by saying, in substance, that the standard Chevrolet warranty (Owner Protection Policy) applies only to the original purchaser by an authorized Chevrolet dealer at the time of the purchase, and signed by the dealer.

I certainly hope you will give some consideration to the foregoing suggestions, as we badly need your help in connection with the discount store situation as it exists here in the Los Angeles area.

Best regards, E. H. Colliau.
EHC:s

CC: Bob O'Connor, Eisaman, Johns & Laws Inc.

[fol. 1377] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 144

CHEVROLET-CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

Memorandum to File

March 27, 1961.

Upon receiving Mr. Cash's letter of March 24th, I was very concerned about both matters referred to therein.

First, a letter signed by a William H. Spoo, Jr., of Citizens Chevrolet Co., 2030 Colorado Blvd., Eagle Rock, California, in which was stated:

"We have been informed by Mr. Max Young, City Manager of Chevrolet, that we can no longer deliver new Chevrolets to your Members by means of the referral basis that we have used in the last seven years."

Secondly, the 4th, 5th and 6th paragraphs on page 2 of the Auto Dealer Business Letter dated March 22nd referring to Chevrolet wholesale personnel in connection with discount house sales of new cars.

At 2:00 PM this date I called Mr. Cash, expressing my concern to him. He promptly told me that upon receiving a copy of Mr. Spoo's letter, Bob O'Connor immediately contacted the dealer, Mr. William Newman, and this dealer later called Mr. O'Connor back and told him that he was sorry about the letter and that Mr. Spoo had admitted he had never discussed the subject with Max Young, which was likewise confirmed by Max Young who told Mr. O'Connor that he had not talked with Mr. Spoo. The dealer told Mr. O'Connor that he just could not understand why his employe would write such a letter and he asked Mr. O'Connor what he thought he should do about firing him. To this, Mr. O'Connor said that, obviously Chevrolet could make no recommendations insofar as a dealer's personnel was concerned and, certainly, he was making no recommendation in this case.

Insofar as the paragraphs on page 2 of the Auto Dealer Business Letter are concerned, Mr. Cash said that it was very obvious that there was a lot of gossip going around, probably by dealer employes, but that he was absolutely certain that all contacts on this subject have been handled on a basis beyond reproach and that no wholesale man ever told a dealer that he had to buy a car back which might have been sold through a discount house.

I told Mr. Cash that I certainly hoped that what he said was true, because the visibility of this Auto Dealer Business Letter was such that for such statements to be made, especially when they were untrue, could be quite dangerous if allowed to go unchallenged and for that reason I wanted to report this matter to the Legal Department to see if they felt that a letter should be written to the Editor of the Auto [fol. 1378] Dealer Business Letter demanding a retraction. However, I said I did not want to do this until I had absolute assurance from Mr. Cash as to the facts. Therefore, I asked him to call Mr. O'Connor to discuss this matter again thoroughly and call me back.

At 5:30 PM this date, Mr. Cash called me back and said that he had just concluded a long telephone conversation with Mr. O'Connor and said that neither he nor Mr. O'Connor would have any reason to hesitate should the Legal Department deem it advisable to demand a retraction from the Editor of the Auto Dealer Business Letter.

Mr. Cash told me that all the dealers in the Metropolitan Los Angeles area belong to one of three dealer associations who work together on their advertising programs. These associations, for some weeks now, have been shopping the various discount houses and whenever they are able to buy a new Chevrolet they go through with the deal with the cars being bought in the name of the attorney who works for the association. The associations themselves contact the selling dealer and, in practically all cases, find that the dealer did not realize that such a sale had been made and, in most cases, the dealer, we understand, has voluntarily bought the car back from the association. Chevrolet has had nothing to do with these cars being bought back, nor have they ever told a dealer that the dealer had to buy back such a car. In each of these cases, however, the association has reported to Mr. O'Connor that they were able to buy such a

car and the name of the selling dealer. In each such case, Mr. O'Connor has called the dealer into the Zone Office to again refer to the individual conference previously held with the dealer on this subject and to again refer to Mr. Roche's letter. All of these discussions have been handled by Mr. O'Connor personally with the dealer and in no case have there been any implied threats or demands involved.

I told Mr. Cash that, obviously, everyone had been very pleased with the high-grade manner with which this subject had been handled in the various conferences held with dealers and that we, of course, had to be sure any further discussions were handled on the basis of those in the past.

I told Mr. Cash that I was going to discuss this matter with the Legal Department, as well as the letter making reference to Max Young, and get their advice as to any further action we should take on these two cases.

L. N. Mays.

LNM/cc

3-28-61 This memo read over the phone to Mr. Cash and he confirmed it. LNM

[fol. 1379] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 146

WARREN BIGGS CHEVROLET
205 South Vermont Avenue—Telephone DUmkirk 3-2111
Los Angeles 4, California

September 30, 1959.

Dealers Diversified Services, Inc.
Advertising Consultants
3912 West Slauson Avenue
Los Angeles 43, California

To Whom It May Concern:

We hereby agree to sell our 1960 Chevrolet \$250 Corvair \$250 Corvette \$300 Trucks \$150 over actual invoice. We guarantee that a customer referred by you will in no case be charged more than the above price. If a raise in gross profit becomes necessary, we shall so advise your office in writing.

All accessories and options will be sold at our invoice, and extra services at time of delivery at our cost. Our price includes all pre-delivery services and regular new car warranty, the salesmans commission, and a \$50.00 on car and \$25.00 on truck fee payable to our office. All trades will be taken into our inventory at actual cash value.

The \$50.00 or \$25.00 fee will be paid to Dealers Diversified Services, Inc. for each new or used car sold and delivered at Warren Biggs Chevrolet, by referral from Dealers Diversified Services, Inc., and will be paid upon receipt of your billing.

We understand that our prices will be treated by you in the strictest confidence, and will not be advertised or circulated. Doc Blair will be the salesman designated to handle your account. We agree that we will send two exact copies of each purchase order to your office at time of delivery of new car, noting amount of over-allowance on trade, if such form of discount is used.

Sincerely, Warren Biggs Chevrolet, Warren Biggs,
President.

WB:gh

[fol. 1380] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 147

WARREN BIGGS CHEVROLET
205 South Vermont Avenue—Telephone DUnkirk 1-1211
Los Angeles 4, California

October 13, 1960.

Dealers Diversified Services, Inc.
Advertising Consultants,
3912 West Slauson Avenue,
Los Angeles 43, California.

To Whom It May Concern:

We hereby agree to sell our 1961 Chevrolets at \$250.00 over actual invoice, and our 1961 Chevrolet Corvettes at \$300.00 over actual invoice. We guarantee that a customer referred by you will in no case be charged more than the above price. If a raise in gross profit becomes necessary, we shall so advise your office in writing.

All accessories and options will be sold at invoice, and extra services at time of delivery at our cost. Our price includes all pre-delivery services and regular new car warranty, the salesman's commission, and a \$50.00 fee payable to your office. All trades will be taken into our inventory at cash value.

The \$50.00 fee will be paid to Dealers Diversified Services, Inc. for each new or used car sold and delivered at Warren Biggs Chevrolet by referral from Dealers Diversified Services, Inc., and will be paid upon receipt of your billing.

We understand that our prices will be treated by you in the strictest confidence, and will not be advertised or circulated. Buford Blair will be the salesman designated to handle your account. We agree that he will send two (2) exact copies of each purchase order to your office at time of delivery of new car, noting amount of over-allowance on trade, if such form of discount is used.

Warren Biggs.

WB
E

[fol. 1381] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 149

BRUDER CHEVROLET
"Friendly Service"

5950 Hollywood Blvd.—Hollywood 7-2181
Hollywood 28, California

October 30, 1957.

Autoresco
3912 West Slauson Avenue
Los Angeles 43, California

To Whom It May Concern:

We hereby submit the enclosed prices on our 1958 Chevrolet, Invoice plus \$275.00.

We guarantee that a referral customer will in no case be charged more than the enclosed prices. If a raise in prices becomes effective, we shall submit four (4) new price lists.

The enclosed prices include all pre-delivery service and regular new car warranty, the salesman's commission, and a \$50.00 fee payable to your office. The \$50.00 fee will be paid to Autoresco for each car sold and delivered at Bruder Chevrolet by referral from Autoresco, and will be paid upon receipt of your billing.

All trade-ins will be taken into our inventory at actual cash value. All accessories will be sold at invoice, and extra services at our cost.

We understand that the enclosed prices will be treated by you in the strictest confidence, and will not be advertised or circulated.

We agree to send two exact copies of each purchase order and two copies of your appraisal forms to your office immediately upon delivery of the new car.

Very truly yours, Bruder Chevrolet, Paul O'Sullivan.

PO:ls
(3) cc

Trucks: Cost plus 100.00, pay \$25.00—no Corvettes—

[fol. 1382] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 151

BRUDER CHEVROLET
"Friendly Service"
Hollywood 7-2181—5950 Hollywood Blvd.
Hollywood 28, California

September 29, 1959.

Dealers Diversified Services Inc.,
Advertising Consultants
3912 West Slauson Ave.,
Los Angeles 43, California.

To Whom It May Concern:

We hereby agree to sell our 1960 Chevrolet Passenger and Corvairs at \$250.00 over actual invoice. We guarantee that a customer referred by you will in no case be charged more than the above price. If a raise in gross profit becomes necessary, we shall so advise your office in writing.

All accessories and options will be sold at our invoice, and extra services at time of delivery at our cost. Our price includes all pre-delivery service and regular new car warranty, the salesman's commission, and a \$50.00 fee payable to your office. All trades will be taken into our inventory at actual cash value.

The \$50.00 fee will be paid to Dealers Diversified Services, Inc. for each new or used car sold and delivered at (name of —Bruder Chevrolet by referral from Dealers Diversified Services, Inc., and will be paid upon receipt of your billing.

We understand that our prices will be treated by you in the strictest confidence, and will not be advertised or circulated. Merritt Harvey and Henry Adams will be the salesmen designated to handle your account. We agree that they will send two (2) exact copies of each purchase order to your office at time of delivery of new car, noting amount of over-allowance on trade, if such form of discount is used.

Yours very truly, Bruder Chevrolet, M. Harvey.

[fol. 1383] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 152

BRUDER CHEVROLET
Hollywood 7-2181—5950 Hollywood Blvd.
Hollywood 28, California

October 1, 1960.

Dealers Diversified Services, Inc.
Advertising Consultants
3912 West Slauson Avenue
Los Angeles 43, California

To Whom It May Concern:

We hereby agree to sell our 1961 Chevrolet at \$240.00 over actual invoice. We guarantee that a customer referred by you will in no case be charged more than the above price. If a raise in gross profit becomes necessary, we shall so advise your office in writing.

All accessories and options will be sold at invoice, and extra services at time of delivery at our cost. Our price includes all pre-delivery service and regular new car warranty, the salesman's commission, and a \$50.00 fee payable to your office. All trades will be taken into our inventory at cash value.

The \$50.00 fee will be paid to Dealers Diversified Services, Inc. for each new or used car sold and delivered at Bruder Chevrolet by referral from Dealers Diversified Services, Inc., and will be paid upon receipt of your billing.

We understand that our prices will be treated by you in the strictest confidence, and will not be advertised or circulated. Mr. Henry J. Adams will be the salesman designated to handle your account. We agree that he will send (2) exact copies of each purchase order to your office at time of delivery of new car, noting amount of over-allowance on trade, if such form of discount is used.

Very truly yours, Bruder Chevrolet, Cecil R. Glover,
General Manager.

CRG:w

[fol. 1384] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 153

BRUDER CHEVROLET
Hollywood 7-2181—5950 Hollywood Blvd.
Hollywood 28, California

January 3, 1961.

Dealers Diversified Services, Inc.
Advertising Consultants
3912 West Slauson Avenue
Los Angeles 43, California

Gentlemen:

It is with regret that due to circumstances beyond our control, we will be unable to sell new Chevrolets on a referral basis, as outlined in our letter dated October 1, 1960.

Thank you for all past courtesies, and if in the future some new arrangements can be agreed upon, we will so advise.

Very truly yours, Bruder Chevrolet, Cecil R. Glover,
General Manager.

CRG:dj

cc: Henry J. Adams, James DePree.

[fol. 1385] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 158

PARKWOOD CHEVROLET
Telephone Metcalf 30781
5059 Lakewood Blvd., Lakewood, Calif.

May 25, 1957.

Mr. Jim Deupie
3912 W. Slawson
Los Angeles, Calif.

Dear Mr. Deupie,

These are guaranteed prices that you may quote on 1957 Chevrolet's, and we will pay you \$50.00 per car. Please send all customers to Joe Jones as your Fedco representative. Prices on all 6 cylinder cars as follows:

Bel Air Series

2402—2 Door Sedan	\$2062.00
2403—4 Door Sedan	\$2102.00
2409—4 Door Wagon	\$2328.00
2413—Sport Sedan	\$2160.00
2429—Nomade Wagon	\$2465.00
2434—Convertible	\$2273.00
2454—Sport Coupe	\$2110.00

210 Series

2102—2 Door Sedan	\$1974.00
2103—4 Door Sedan	\$2012.00
2109—4 Door Wagon	\$2229.00
2113—Sport Sedan	\$2085.00
2119—4 Door Wagon	\$2314.00
2124—Del Ray Coupe	\$2001.00
2129—2 Door Wagon	\$2187.00
2154—Sport Coupe	\$2027.00

150 Series

1502—2 Door Sedan	\$1878.00
1503—4 Door Sedan	\$1912.00
1512—Utility Sedan	\$1787.00
1529—2 Door Wagon	\$2114.00

Extras:

V8 Engine	\$77.00
Power Glide	\$150.00
Turbo Glide	\$180.00
Power Pack	\$34.60
Deluxe Heater	\$54.00
Standard Heater	\$36.00

Have your car serviced while you shop at America's most complete shopping center.

James M. Snow, Sales Mgr.

[fol. 1386] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 162

GLENN JONES CHEVROLET
14925 South Paramount Boulevard
Phone Metcalf 0-5861—Nevada 6-3700
Paramount, California

January 30, 1960.

Dealers Diversified Services, Inc.
Advertising Consultants
3912 West Slauson Avenue
Los Angeles 43, California

To Whom It May Concern:

We hereby agree to sell our 1960 Chevrolets at \$250.00 over actual invoice. We guarantee that a customer referred by you will in no case be charged more than the above price. If a raise in gross profit becomes necessary, we shall so advise your office in writing.

All accessories and options will be sold at our invoice, and extra services at time of delivery at our cost. Our price includes all pre-delivery service and regular new car warranty, the salesmans' commission, and a \$50.00 fee payable to your office. All trades will be taken into our inventory at actual cash value.

The \$50.00 fee will be paid to Dealers Diversified Services, Inc. for each new or used car sold and delivered at Glenn Jones Chevrolet by referral from Dealers Diversified Services, Inc., and will be paid upon receipt of your billing.

We understand that our prices will be treated by you in the strictest confidence, and will not be advertised or circulated. Mr. McLaughlin, will be the salesman designated to handle your account. We agree that he will send two (2) exact copies of each purchase order to your office at time of delivery of new car, noting amount of over-allowance on trade, if such form of discount is used.

Sincerely, Glenn Jones Chevrolet, G. V. JONES,
Owner.

GVJ:sw

(10-1-57) GLENN JONES CHEVROLET

14925 S. Paramount Blvd.
PARAMOUNT, CALIF.

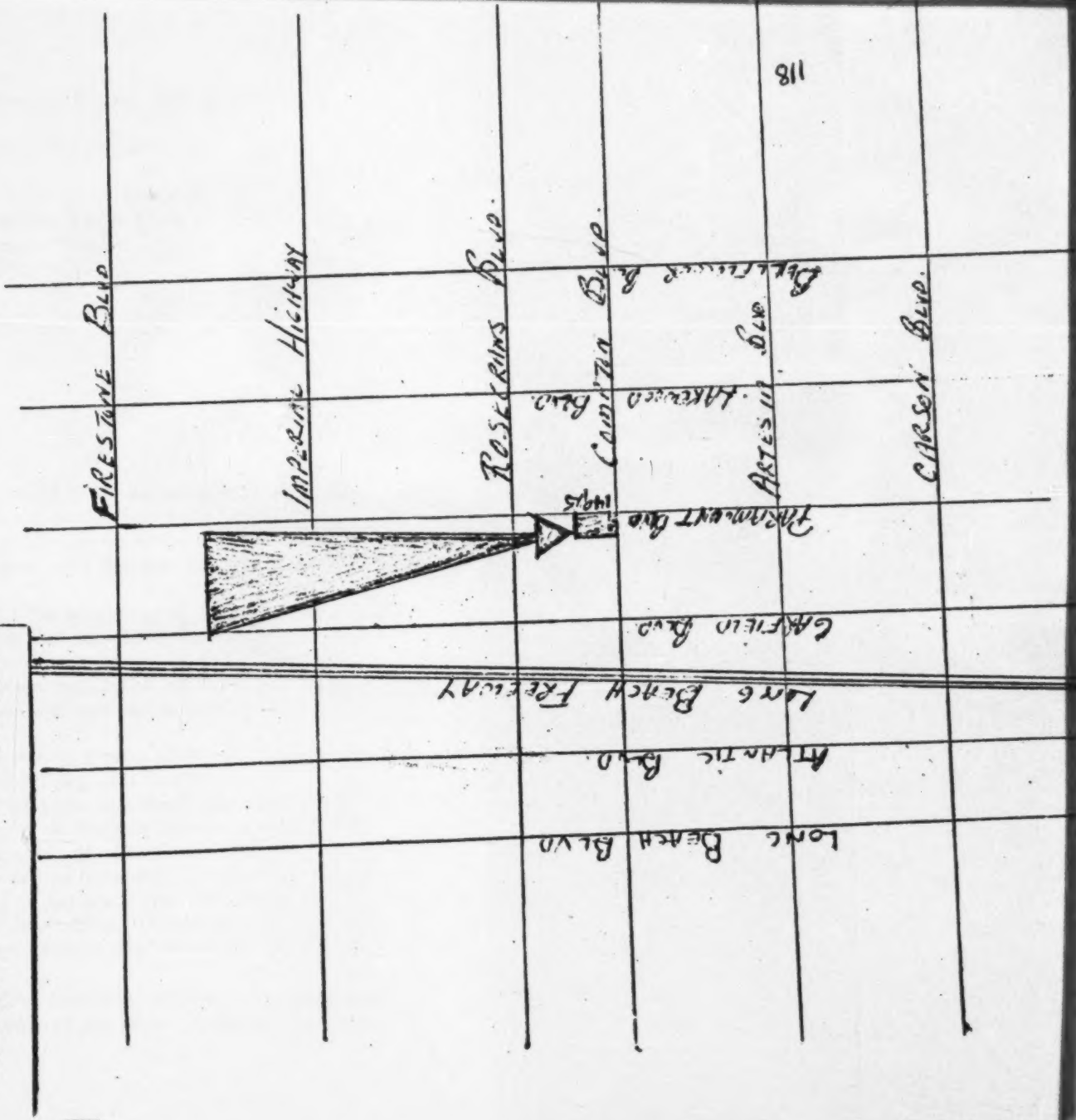
GLENN JONES CHEVROLET

14925 South Paramount Boulevard
Phone MErcalf 0-5861 • NEVada 6-3700
PARAMOUNT, CALIFORNIA

J. R. "DICK" McLAUGHLIN
Sales Mgr.

MErcalf 0-5861

NEVada 6-3700



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[fol. 1388] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 163

CITIZENS CHEVROLET COMPANY
2030 Colorado Blvd.—Eagle Rock 41, Calif.
Sales Service
Clinton 6-4128

September 20th 1958.

Asst—Wally Pirmess
Joan Miller
Fedco Corp
3912 West Slauson
Los Angeles, 43, Calif.

Dear Joan,

Per our phone conversation we have outlined the basis for our mutual agreement in serving your people.

We want to be competitive at all times and we want you to call Mr. Will Newman and discuss the situation with him personally.

We all realize that at the beginning of a new model run it is impossible to have the cars desired on hand so we'll probably have to factory order most of them for awhile.

Agreed that all models will be at \$215.00 over dealer cost billing and all local options and accessories at dealer net.

We agree to participate in Dealer Diversified Advertising on the basis of \$50.00 per unit delivered.

We understand that if their is a trade involved and the customer is turning it in on the new car we get the trade. All trades will be evaluated at true Wholesale.

In regard to trucks it has been such a competitive field that it would be hard to set up a fast rule on price and still be in the Dealer Diversified advertising. But we believe that all truck deals can be worked out to every-one's satisfaction.

We use "Automotive Invoicing Service" Bakersfield, Calif. as a guide in invoicing car sales. It has proven to be very accurate.

In order that we can better take care of your people and serving them properly if Mr. Bill Spoo isn't available at the time you should call then talk to Mr. Jack Head or Mr. Will Newman.

We'd appreciate the opportunity of meeting the Heads of your organization at the earliest convenience.

Thanks for the opportunity of serving you and may it be a profitable and lasting relationship.

25% of gross—

Sincerely, W. S. Newman, Owner.

Bill Spoo, Fleet Mgr.

[fol. 1389] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 170

June 9, 1960.

R. M. O'Connor, Zone Manager
Chevrolet Motor Division
3325 Wilshire Boulevard

Dear Mr. O'Connor:

Recently I noticed an ad in the local paper from Leonard's new store in Garden Grove that a person could save a considerable amount of money by purchasing new cars through their store. After I discussed the matter with Mr. Hopper, I contacted the store in question and found that they had three apparently new cars on the floor—a Corvair, Ford, and another make not known to me. I attempted to open the door of the Corvair to ascertain the serial number and found it to be locked. There was no Manufacturer's Suggested Retail Price sticker on the car, but license number TAY 697 was attached.

There was a sign on the car "For Display Only". I picked up a circular lying on the fender of the car (copy attached), and approached a representative regarding the purchase of a 4-door Impala. When I asked the representative for prices, I started to make notes on the circular, and he requested that I use a scratch pad which he furnished, rather than having any prices on the circular because they did not wish to have their name identified with any particular price which might be quoted. He remarked that the dealers did not like their organization and they would like to get hold of something like this that they could identify with their name; that they tried to protect the buying public from the injustices of dealers concerning prices, financing, and other miscellaneous matters; that G. M. A. C. charged a 7½% rate for financing, whereas theirs was only 6% through Citizens National Bank. Their general attitude was that none of the dealers could be trusted, and the only safe way to buy a car was through their organization.

Upon my return to the office, I contacted the Motor Car Division Association and learned that the license in question (TAY 697) was issued to William R. or Laverne

Harbour, 14991 Hubbard Street, San Fernando, and that the serial number was 00569W157094, which you can see covers a 1960 Corvair, and not a 1959 as recorded in the original records.

[fol. 1390] I contacted Mr. Harbour by telephone (the number is Empire 5-8787) and learned that he was dissatisfied with the Corvair and had traded this on a 1960 Station Wagon, and that he had purchased the car through a broker. He did not remember the name, but said he had taken delivery through Allen Gwynn.

During the course of my conversation with Leonard's, they informed me that they received a rebate of \$25.00 per car from the Chevrolet Motor Division because they sold approximately 400 cars per month. He also stated that on Pontiacs they received a rebate of \$40.00 from the factory. He stressed the fact that they could deliver any car that was manufactured.

The prices quoted on the car without options was approximately \$200.00 over cost, and the options were at what he claimed was dealers exact cost, which I found to be correct after checking.

I attempted to learn if there were any licenses posted, and found that there were two in a corner not accessible to me. However, I could see the letters AAAA, which apparently attempted to identify them with a posted sign of the 4A's Auto Sales, Inc. I do not know what these licenses covered.

Yours truly, J. N. Armour, Business Manager,
Eddie Hopper Chevrolet.

The above letter was written at my request. Last month we lost several deals on which we had firm orders. In one case the quoted price was \$138.00 over our cost. We have been advised that this company mailed several thousand pieces of literature in regard to the sale of cars in our vicinity. We have learned from an outside source that the 4A's main office is located at 2514 W. Olympic Boulevard, Los Angeles.

E. N. Hopper, President.

Enc. 1

CC: J. Faust, Chev. Motor Div.

A/y

[fol. 1391] Airport Village—Cranshaw—Inglewood—Pico
—Westwood

LEONARDS
Main Store
International
12891 Harbor Blvd.—Garden Grove, Calif.
JEfferson 7-5000

Dear Customer:

The management recommends that you visit our Automobile Department. You can now make arrangements to purchase the car of your choice, at any time of the year at a substantial savings to you. Our one and only low price to you eliminates the many loop-holes, gimmicks, and pitfalls normally associated with buying a new car.

This plan provides:

- ... Lowest Rate Bank Financing . . .
- ... All Cars Obtained Locally . . .
- ... Complete Factory Warranty and Servicing . . .
- ... Trade-ins Accepted . . .
- ... Low Insurance Rates . . .
- ... 100% Honest Dealings . . .
- ... Guidance of Unbiased Automobile Men to Assist
You in Your Selection of a New Car . . .

The following procedure is recommended:

1. Decide on Make, Model, Equipment & Color.
2. Complete your shopping for the automobile, so that you have established the best price you can purchase a car on your own.
3. Be prepared to place an order.
4. Sorry, no prices by telephone.

Customers who have used this plan have effected considerable savings in money and time.

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[fol. 1392] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 171

LOSOR CHEVROLET DEALERS ASSOCIATION

HEmlock 5-4844

Room 2, Security First National Bank Building

First Street at Pine Avenue

Long Beach 2, California

June 28, 1960.

A general meeting was held this date at the Captain's Inn. Guests of Losor were Mr. Johns and Mr. Eisamen who showed films and slides of the planned advertising for Chevrolet through both the Democratic and Republican convention. Mr. Stack of Palm Springs was also a guest of Losor.

Mr. Don Steves announced that Mr. Red Cone was the newly elected secretary of the Southern California Car Dealer's Association. Mr. Cone made the report that their first interest was the discount houses and how to go about eliminating this menace from the car business. At the present time the law firm of Aiken, Getz and Manning are checking into the finer points of the dealer licensing law and. To date no report has been forthcoming. The Orange County dealers have expended \$750.00 to Cameron Aiken for this report. It was then discussed whether tighter legislation might be the future answer or if the best move was to go directly to Chevrolet Motors and lay the problem in their lap. Mr. Owen Keown made a motion which was seconded by Mr. Red Cone that a committee who had definite proof on the dealers who were furnishing these cars to the various discount houses be named to the committee to call on Mr. O'Connors along with the board of directors. This was unanimously approved. Those on the committee are: Mr. Eddie Hopper, Mr. Owen Keown, Mr. Red Cone, Mr. Bob Brokaw, Mr. Chet Henson, Mr. Ralph Williams and the board. They will be notified time and place of meeting.

Mr. Don Steves then brought up the idea of the Service Managers having their own forum within Losor. The dealers are to go back and discuss this with their service managers and make a report at the next meeting. Mr. Fred

Logan then conducted the business management portion of the program in the absence of Mr. Lucado.

No further business, meeting adjourned.

John Hessel.

[fol. 1393] Frank Swift, Jr. gave a short report on the planned annual meeting in November.

Mr. Henson then introduced Mr. Glenn Roberts, attorney for the Foothill Association, who gave a short talk regarding dealer and salesmen licensing law.

Mr. John Hessel, in the absence of Mr. Keown, presented the business management portion of the meeting.

No further business, meeting was adjourned.

John Hessel.

[fol. 1394] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 172

LOSOR CHEVROLET DEALERS ASSOCIATION
HEmlock 5-4844
Room 2, Security First National Bank Building
First Street at Pine Avenue
Long Beach 2, California

July 26, 1960.

A general meeting of Losor dealers was held this date at the Captain's Inn in Long Beach.

First on the agenda was the subject of discount houses. Mr. Keown gave a report on the meeting held with Mr. O'Connors on this subject. Mr. O'Connors stated that he would call on the eight dealers reported selling to discount houses. After Mr. O'Connors had called the offending dealers it was decided that a committee of Losor dealers would follow up with a visit to each of these dealers. Nothing further has been heard on this subject as Mr. O'Connors is on vacation.

The question of Losor having their own service managers meetings was further discussed. Mr. Steves polled each dealer and in the final count it was decided to begin setting up a Losor Service Managers club. It was requested that each meeting at least 2 dealers attend. More to be discussed on this later. Mr. Bill Barnett made a motion that the board of directors meet with the members of the other two trading bureaus to set up three new service managers clubs and that the dealers work with the men to form a firm foundation for the new clubs. Motion carried.

Mr. Steves polled each dealer for their suggestions on what they would like discussed at a meeting of all the board members of each association. This meeting to be held later on this month.

In the absence of Mr. Lucado, Mr. Fred Logan conducted the business management portion of the meeting. No further business, meeting was adjourned.

Jack Hessel.

[fol. 1395] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 173

LOSOR CHEVROLET DEALERS ASSOCIATION
HEmlock 5-4844
Room 2, Security First National Bank Building
First Street at Pine Avenue
Long Beach 2, California

September 27, 1960.

At a meeting of the board of directors before the general meeting the board approved the bill from Foothill Dealer's Association for the "Fabulous 400" party for salesmen. The board also approved the purchase of a Victor Calculator.

A general meeting was held this date at the Captain's Inn. The financail statement was read and approved. Minutes of the previous meeting were not read.

Mr. Bill Barnett gave his report on the Honolulu trip and approximate figure needed to make the trip. Mr. Abe Cone made the motion that \$15000. with a top of \$17000.00 be appropriated. Frank Swift, Sr. seconded the motion and it was duly approved.

Mr. Red Cone made a motion that those dealers unable to attend be reimbursed on a pro-rate basis. This was seconded by Mr. Owen Keown and duly passed.

Mr. Owen Keown reported that Mr. Conners, Zone Manager, had called on each dealer selling to discount houses and requested them to please stop this source of supply. Now a committee of 5 dealers should be appointed from the 3 Dealer organizations to call on the offending dealers to ask their cooperation.

Mr. Don Steves then read the recommendation of H. Burdette Fredricks, attorney, amending and recommending changes in the by-laws. These recommendations to be read again at the next meeting before final approval.

Mr. Steves then read the letter regarding the quality Dealer Award given by the Saturday Evening Post and asked all dealers to give this some serious thought.

Mr. McGlaughlin, head of Long Beach Motor Car Association, then gave a short talk on how to fight discount

houses and also added some information on union activities. He announced that Mr. Lertin would continue to carry on with Dealer's Employers Association after the death of Fred Petruich.

The dealers were polled on Losor having their own Service Managers Club. As more dealers were in favor of this action, Mr. Steves asked Mr. Cormier to have Mr. Mike Allen head up the committee to get this association started.

The floor was then opened to general discussion of union activities. After much discussion it was decided that each dealer would send in a list of his salesmen and the salary earned for an 8 months period. This information would be [fol. 1396] compiled and sent to each dealer. He could in turn compare his wage scale to other dealers.

Mr. Lucado then conducted the business management portion of the meeting.

No further business, meeting was adjourned.

John Hessel.

[fol. 1397] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 174

LOSOR CHEVROLET DEALERS ASSOCIATION
HEmlock 5-4844
Room 2, Security First National Bank Building
First Street at Pine Avenue
Long Beach 2, California

October 27, 1960.

A general meeting was held this date at the Captain's Inn, Long Beach.

John Hessell made a motion to dispense with the reading of the minutes and the financail report as each dealer had been supplied a copy of same.

Don Steves reported that the plans for the Losor Service Managers Club were moving along nicely.

Harold Ostrom then brought up for discussion wholesale parts. It was decided to let each dealer handle this matter on his own rather than have a group policy.

Mr. Dor Steves read the suggested changes in the by-laws. These changes were agreed to by all dealers present.

Mr. Bill Barnett reported on the Honolulu trip.

Mr. Keown then gave a report on the progress made regarding dealers selling to discount houses. After this report Mr. Keown then conducted the business management portion of the meeting.

No further business, meeting was adjourned.

—, —.

[fol. 1398] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 175

LOSOR CHEVROLET DEALERS ASSOCIATION
HEmlock 5-4844
Room 2, Security First National Bank Building
First Street at Pine Avenue
Long Beach 2, California

November 10, 1960.

The annual meeting of the Losor Chevrolet dealers was held this date at the Waialae Country Club.

Mr. John Hessel reported that the changes had been read twice on the recommended changes in the by-laws. Mr. Barnett moved the reading of the ammendments be dispenses with. This was seconded by Jim Crooker and passed unanimously.

Mr. Keown reported on the discount house problem. It was decided that each dealer and all their salesment would write and wire Mr. Jack Gordon, Mr. Staley and Mr. Cole asking that something be done regarding this situation. All dealers agreed to write or wire at once.

The election of officers was then held. The new officers are:

Mr. Chet Henson, President
Mr. John Hessel, Vice President
Mr. Red Cone, Secretary-Treasurer
Mr. Owen Keown
Mr. Don Steves

No further business, meeting adjourned.

[fol. 1399] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 176

LOSOR CHEVROLET DEALERS ASSOCIATION

HEmlock 5-4844

Room 2, Security First National Bank Building
First Street at Pine Avenue
Long Beach 2, California

January 26, 1961.

To: Losor Dealer Members

It is the suggestion of your board of directors, in appreciation of the fine job Chevrolet Motors has done in stopping the sale of cars to discount houses, that you and your salesmen send letters or wires to whom you addressed your original complaint to, thanking them for a job well done.

We feel it is just as important to thank those responsible for cooperating with us as it is to bring to their attention any malpractice in the automotive industry. Each letter should be in your own wording, expressing your appreciation and your wish to cooperate in any way possible to keep this condition from arising in the future.

Thanking you for your cooperation,

Yours truly, Board of Directors, Losor Chevrolet
Dealer's Assn.

[fol. 1400] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 177

LOSOR CHEVROLET DEALERS ASSOCIATION
HEmlock 5-4844
Room 2, Security First National Bank Building
First Street at Pine Avenue
Long Beach 2, California

April 6, 1961.

A meeting was held this date at the Captain's Inn, Long Beach. Seventeen dealers were in attendance.

Mr. Chet Henson brought the meeting to order. Mr. Bill Barnett made a motion we dispense with the reading of last months minutes, seconded and approved. The secretary read the financial report which was approved as read.

The secretary was instructed to write a letter to Chevrolet Motors division, attention Mr. O'Conner, with carbon copies to the presidents of the other two associations, notifying them that in the future the Losor dealers will allow their managers only one day away from their dealership to attend out of town functions.

Mr. Joe Eisaman of Eisaman & Johns was present to show advance films on the planned advertising for the next few months.

MIC insurance and GMAC financing problems were discussed.

Mr. Keown then conducted the business management portion of the meeting. No further business, meeting was adjourned.

_____, _____.
Prior to the general meeting, the board of directors met and voted \$5000.00 to Glenn Roberts Trustee Account for legal fees for investigation relating to unauthorized and unlicensed automobile sales. The secretary was instructed to issue this check.
_____, _____.

[fol. 1401] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 178

Dealers Service Inc.

MINUTES OF DIRECTORS' MEETING

December 21, 1960

Dealers' Service Inc. Office

The meeting was called to order by Chairman Shammas at 10.10 A.M. Those present consisted of Pres. Shammas and Directors Wilson, Newman, Nugent, Bruder and Cashman and alternates Kenneth Sopp and Vandenberg. Absent, Vice Pres. Warren Biggs.

Vandenberg introduced for discussion, the subject of the promotion by the Chevrolet Dealers, of a program of Junior activities, in the interest of good public relations, which proved interesting to the Directors, and was followed on the same subject by Cashman who thoroughly endorsed such an activity.

Chairman of Finance, Ray D. Wilson, presented the Directors with a brief and clear report on the potential status of Dealers' Service Inc. as of January 1st, 1961, which met with the approval of the Directorate.

Chairman Shammas took up the subject of Public Relations and recommended that economy in financing such a project be given careful consideration.

Cashman brought up for discussion the subject of alleged overpay to Dealers' Service Inc. of certain cars that were shipped to their Pasadena store, but paid for and originally billed to Enoch Chevrolet. After some discussion, the Directors decided that the Pasadena store should assume the charges under consideration.

Shammas introduced for discussion the subject of Discount Houses in the new car field, which are definitely progressing along lines that are not in the best interests [fol. 1402] of the Dealers or their sales personnel. Cashman gave a thorough discourse on the above subject, in order to help ascertain who and what constitutes the various dis-

count houses, and was followed by Vandenberg on the same subject.

Kenneth Sopp talked on the subject of legitimate profits in the automobile retailing business; and suggested that the matter be given very careful consideration for the immediate future.

Nugent suggested that if all car and truck sales are directed through the regular sales personnel, much dubious business can be eliminated.

On a motion by Sopp, second by Vandenberg, the secretary was instructed to follow last years procedure in allocation of this year's Christmas funds, to the persons concerned with same. Motion carried.

The meeting was adjourned at 12.20 P.M.

N. N. Shammas, President, Rudolph Kysela, Secretary.

[fol. 1403] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 184

Rec'd June 23 1960

CONE BROTHERS

Service After the Sale

Telephone Keystone 5-1143—215 North Los Angeles Street
Anaheim, California

June 22, 1960.

Mr. Jerry Faust,
Chevrolet Motor Div.,
3325 Wilshire Blvd.,
Los Angeles 5, Calif.

Dear Jerry:

It appears that the franchise system is pretty well sunk, unless we can this situation. Please take a look at Page 23, and draw your own conclusions.

The dealers delivering these cars are probably already known to you. If not, it will not be difficult to supply you with this information.

Thank you for your fine cooperation.

Yours truly, Cone Bros., By C. D. Cone.

Could policy be modified so that warranty would be honored only on cars purchased from Chevrolet dealer? Could DMV insist on facilities comparable to factory standards before issuing license?

AUTOMOBILE GOSSIP



Report from Germany states that a vehicle called the Amphicar, described as 85% automobile and 15% boat will appear on the American market in the very near future. What next, flying automobiles . . . ?

Ford Motor Company has already outbuilt the "big Ford" with the Falcon, and Valiant is now slightly ahead on production over its brother Plymouth . . . compact cars seem to be exactly what the automobile conscious American public wanted!

COMPACT SPECIFICATIONS: Here's how they compare . . .

	Wheelbase	Length	Horsepower	Weight	Factory Suggested List Price F.O.B.	
					2-Door sedan	4-Door sedan
Cornet	114	194.9	90	2,412	\$1,998	\$2,053
Falcon	109.5	181.2	90	2,288	1,912	1,974
Corvaire	108	180	80	2,375	1,984	2,038
Lark 6	108.5	175	90	2,605	1,976	2,046
Rambler American Deluxe	100	178.3	90	2,469	1,795	1,844
Rambler 6 Deluxe	108	189.5	127	2,948	—	2,098
Valiant V-100	106.5	183.7	101	2,635	—	2,053
					2-Door Wagon	4-Door Wagon
Cornet	109.5	191.8	90	2,661	\$2,310	\$2,364
Falcon	109.5	189	90	2,633	2,225	2,287
Lark 6	113	184.5	90	2,805	2,366	2,441
Rambler American Deluxe	100	178.3	90	2,490	2,020	—
Rambler 6 Deluxe	108	189.5	127	3,055	—	2,427
Valiant V-100	106.5	183.7	101	2,881	—	2,365

The prices listed above are LIST prices for factory delivery. FREIGHT IS ADDITIONAL. We have co-operating dealers who handle the above mentioned compact cars at a SAVINGS. Be sure to obtain a referral at any of the FEDCO stores so that you or your guest may take advantage of the savings available. Remember that you may trade-in your present car if you so choose . . . the discount is not affected by whether or not you trade-in a car. In order to purchase a car it is necessary for you or your guest to apply in person for the referral, as we are not able to process mail or telephone requests. Factory delivery is available at additional savings.

THE FOLLOWING MAKES OF CARS ARE AVAILABLE ON REFERRAL TO OUR APPROVED DEALERS:

COMPACT CARS	OTHER DOMESTIC CARS	IMPORTED CARS
AMERICAN	BUICK	BMW ISETTA
CORMET	CHEVROLET	BORGWARD
CORVAIR	CHRYSLER	DAIMLER
FALCON	CONTINENTAL	ENGLISH FORD
LARK	CORVETTE	HILLMAN
RAMBLER	DART	HUMBER
VALIANT	DE SOTO	METROPOLITAN
	DODGE	STUDEBAKER
	FORD	THUNDERBIRD
		PEUGEOT
		VOLVO
		SINGER
		SUNBEAM ALPINE
		TOYOPET
		TRIUMPH
		VAUXHALL

(ALSO LATE MODEL USED CARS)

AUTO VERSUS TRAIN

By
Supervising Inspector
RUSSELL E. FUSON
California Highway Patrol



One of the most tragic accidents encountered by Officers of this Department are those in which a motor vehicle is struck by a train. In most instances, the results are fatal to the occupants of the vehicle and on occasion, results in derailment of the train if the accident involves a large bus or truck.

During the first three months of this year, forty persons were killed in California in this type of collision. Most of these occurred at wig-wag controlled crossings and would have been avoided if the drivers had obeyed the provisions of the Vehicle Code relating to this type of crossing. Basically, the law provides that whenever a signal device is operating at a crossing, the motorist must stop within 50 feet but no closer than 10 feet to the crossing. The driver may then proceed if he can do so safely. Unfortunately, many drivers ignore the signals altogether and attempt to speed across the intersection ahead of the oncoming train. The loser in this race is inevitably killed or injured and in winning, can only hope for a few minutes of time saved in reaching his destination. This, at best, is very poor odds. Obedience to the law and good judgment would seem to pay off in large dividends and all motorists are urged to follow these simple rules and thereby effect a reduction in railroad crossing accidents.

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Today I WILL Drive Safely



[fol. 1405] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 185

Presentation of Discount House Activities

Presentation by Sales Section outlined the growth of membership discount stores and the establishment by some of these stores of a new car sales department.

Letter in acknowledgment of letters and wires from dealers and salesmen in Orange County, California, was read.

Decision was reached that a letter along similar lines should be made available for the Divisions to mail to all of their dealers.

Distribution Policy Group Meeting, Wednesday, December 21, 1960.

[fol. 1406] Discount Stores Having New Car Sales
Departments

During the past two years, there has been a marked increase in the number of membership discount outlets operating at various locations throughout the country. These discount stores retail a wide variety of both soft and hard goods. Some departments are company owned and operated, while other departments are operated by outside concerns on a lease arrangement.

The success of the discount house operation has encouraged many of these companies to establish additional outlets on a chain store basis. Two discount companies are known to have interests in stores located in five or six of the major metropolitan areas.

[fol. 1407] The most recent addition to the operation of some of these stores is the establishment of a new car sales department. These discount stores either purchase their new vehicles from authorized dealers for resale to members and their friends or by prearrangement with some authorized dealer they are in a position to make a deal with a customer for a price and then refer the customer to the dealer for delivery of the vehicle at the price established by the discount store. Such new car sales departments offer to effect delivery of any make of new car in accordance with the customer's specifications as to color, equipment, etc.

Following is a list of the companies operating discount stores reported to have new car sales departments operating in one or more of their stores:

[fol. 1408] Representative Group of Discount Stores and Those Operating New Car Sales Departments as Indicated

Name of Discount House & Headquarter Location	Stores With New Car Sales Departments	Location of Discount Stores
Consumers Mart of America, Inc. (Trading as C.M.A.) Phoenix, Arizona	X	1. Phoenix, Arizona 2. Anaheim, California 3. Oak Lawn, Illinois 4. Chicago, Illinois (4701 No. Harlem)
Federal Employes Distributing Company (Trading as FEDCO, Inc.) Los Angeles, California	X X X X	1. Los Angeles, Calif. (3912 W. Slauson) 2. San Bernardino, Calif. 3. Lakewood, California 4. Van Nuys, California 5. San Diego, California
Allied Buying Corporation (Trading as ABC Store) Santa Ana, California	X	1. Santa Ana, California
Federal Organization of Retail Enterprises, Inc. (Trading as F.O.R.E.) San Bernardino, California	X	1. San Bernardino, California
Martin's Discount Store Bakersfield, California	X	1. Bakersfield, California
The Big A Canoga Park, California	X	1. Canoga Park, California
C.I.O.C.O. Union Stores, Inc. (Trading as Union Store) San Bernardino, California	X	1. San Bernardino, California
Leonard's International, Inc. El Segundo, California	X	1. El Segundo, California
[fol. 1409]		
G.E.M. Stores, Inc. (Trading as GEMCO) Denver, Colorado	X X X X	1. St. Louis, Missouri 2. St. Louis, Missouri 3. Kansas City, Missouri 4. Denver, Colorado 5. Minneapolis, Minnesota 6. Honolulu, Hawaii 7. Hyattsville, Maryland
Federal Employes Dept. Stores, Inc. of Virginia (Subsidiary of G.E.M.C.O.) The Fed-Mart Corporation (Trading as Fedmart) San Diego, California		1. Alexandria, Virginia 1. San Diego, California 2. San Diego, California 3. Anaheim, California 4. Houston, Texas (DBA International Distributing Co. of Texas) 5. Phoenix, Arizona 6. Phoenix, Arizona 7. San Antonio, Texas 8. El Paso, Texas

Representative Group of Discount Stores and Those Operating New Car Sales Departments as Indicated—Continued

Name of Discount House & Headquarter Location	Stores With New Car Sales Departments	Location of Discount Stores
White Front Stores, Inc. (Wholly owned subsidiary) Interstate Dept. Stores, Inc., New York		1. Anaheim, California 2. Van Nuys, California

[fol. 1410] It is reported that discount stores operating on a referral basis offer cars to customers at prices of \$165 over dealer invoice. This amount of mark-up is reported to be in effect with Gemco and is divided as follows:

- \$90 to Delivering Dealer
- \$65 to Operator of the New Car Sales Department
- \$10 to Discount Store as rental payment for space occupied by New Car Sales Department
- \$90 to Delivering Dealer
- \$65 to Operator of the New Car Sales Department
- \$10 to Discount Store as rental payment for space occupied by New Car Sales Department

[fol. 1411] Discount stores do not provide any service facilities or assume any responsibility with respect to policy and warranty. Information provided indicates that new car purchasers are informed that service requirements, including policy and warranty adjustments, will be handled by any authorized dealer.

This activity has been expanding rapidly in Southern California. The Motor Car Dealers Association of Orange County, California suggested to all of its dealers and salesmen that they write or wire their factories regarding this matter. A number of letters and telegrams have been forwarded by dealers and salesmen in the Orange County area to both Mr. Gordon and to divisional executives. A carefully prepared reply was sent to these dealers, the text of which follows:

[fol. 1412] This will acknowledge receipt of your letter of November 28, 1960, addressed to Mr. John F. Gordon, President, General Motors Corporation, referring to the increas-

ing number of membership discount outlets in your area of sales and service responsibility offering new General Motors cars for sale to members and their friends. As you are no doubt aware, the Car Divisions of the Corporation have received similar letters and telegrams from a number of their dealers and employes of such dealerships in different sections of the country.

[fol. 1413] The substance of these communications, while varying in content, implies that General Motors Corporation as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new General Motors products. Some have even suggested that General Motors condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the General Motors Quality Dealer Program and the continuity of our efforts to implement the Program.

[fol. 1414] General Motors Corporation does not and has not sold its new passenger cars and trucks for resale to any outlets other than authorized General Motors dealers. Frankly, I believe every General Motors dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organizations of the Car and Truck Divisions.

[fol. 1415] Inquiries have been made, and we are advised that these discount outlets either (1) purchase their General Motors motor vehicles from General Motors dealers for resale to members and their friends, or (2) by prearrangement with some General Motors dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the General Motors dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering General Motors dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establish-

ment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

[fol. 1416] Where the motor vehicles are purchased from a General Motors dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing our deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

[fol. 1417] When a customer purchases a new-used General Motors car from one of the so-called discount houses, he reportedly does not receive a General Motors Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized General Motors dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames General Motors because, as an owner of a General Motors product, he expects the same high degree of service which owners of General Motors vehicles have learned to enjoy over the years from the General Motors dealer organization.

[fol. 1418] While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, we have at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

[fol. 1419] "For several years it has been quite clear to those who have kept informed as to the interpretation of

the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

[fol. 1420] The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral". Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealer Selling Agreements.

[fol. 1421] More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but

also share his gross profit on the transaction with the discount house.

[fol. 1422] General Motors Corporation recognizes the problems raised by the discount house new car merchandising activities in your area. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

[fol. 1423] The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement.

[fol. 1424] Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

I would appreciate your reviewing this letter with your salesmen, so that they will more fully understand the position of General Motors with respect to the matters outlined herein. If any of your salesmen have written or wired us on this matter, this would serve as a means of acknowledging their letters.

[fol. 1425] This type of activity is also becoming well established in certain other areas of the country, like St. Louis, Kansas City and Washington, D.C. Because the dealers who are being solicited to supply new cars to discount stores may be located either in the immediate area or removed from it, there has been discussion regarding the advisability of

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sending a general letter to all General Motors dealers in the United States, similar to the one that was used to reply to the Southern California dealers. In contacting the General Sales Managers in connection with this activity, they were all in favor of such a letter being sent to all General Motors dealers.

[fol. 1426] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 186

Report for the month of April 1961

Pan Pacific Purchasing
3848 Crenshaw Blvd.
Los Angeles

April 20, 1961

Agent contacted Mr. Sud who offered a 1961 Chevrolet Convertible at "Fleet price". Mr. Tom Shigaki recended the order stating that they could no longer sell new Chevrolets or Pontiacs. He further stated that he was not a dealer but only an auto broker. No license was observed in the office.

Brockway Plan
1809 S. Brand Blvd.
Glendale

April 7, 1961

Agent contacted Mr. Paul Brockway who stated that he was a broker for credit unions and that he could furnish a 1961 Chevrolet. He further stated that he was supplied new cars by Allen Gwynn Chevrolet in Glendale. On April 20, 1961 a 1961 Chevrolet was delivered by Allen Gwynn through the Brockway Plan. The transaction was handled by a Mr. Dodge of Allen Gwynn Chevrolet. Mr. Dodge was aware that the sale was made through the Brockway Plan and the check for the full amount was made out to the Brockway Plan. The Vehicle was stored at the Glendale Depot of the Santa Fe Railroad. The parking ticket was turned over to the proper authorities. Mr. Brockway stated that he was a licensed fleet buyer. No license was observed at the Brockway office.

On April 22, 1961 another contact was made at the Brockway Plan and arrangements were made to purchase a 1961 Chevrolet Convertible. This transaction was handled by the same Mr. Dodge that delivered the above vehicle. He stated that Mr. Brockway was unavailable at

the time and that he was an employee of Allen Gwynn although Mr. Brockway had no connection with that firm he did buy his cars through them so he would give the same discount as Mr. Brockway would. He stated that Mr. Brockway was a licensed broker but not a dealer in Chevrolet. As per instructions no purchase was made.

Howell Motors
919 S. Brand Blvd.
Glendale

April 7, 1961

Purchase order was written on a 1961 Chevrolet Station Wagon by Bill Volding, employee of this concern. A \$20.00 deposit was given. Mr. Volding stated that Mr. Frank Kus k was his partner and that they were licensed to sell used cars and act as a leasing company and to sell to fleet buyers. He stated that they purchased their cars through Eddie Dragna of Citizens Chevrolet, Eagle Rock. As per instructions no buy was made and an attempt to recover the deposit is pending.

[fol. 1427] Union Store Auto Sales
9135 Central Ave.
Montclair

April 25, 1961

Salesman Russ Sandler was contacted and arrangements were made to purchase a 1961 Chevrolet. A \$50.00 deposit was made to Vern Anderson who stated that they were licensed dealers and directed attention to a license on the wall but at the distance was only able to ascertain the words "temporary permit" that appeared in red letters. On April 28th the \$50.00 deposit was recovered and no delivery was made as per instructions.

Art Diamond Realty Co.
12135 Victory Blvd.
Van Nuys

On April 22, 1961 Mr. Art Diamond agreed to sell a 1961 Chevrolet at fleet price and contacted Mr. Eddie Dragna of Citizens Chevrolet, Eagle Rock by telephone. As per

instructions no delivery was made and no deposit was given. No license was observed in the office. Also present was Herb Land and Don Smith of Art Diamond Realty. This establishment is a real estate office. There are no longer signs on the window advertising new cars as was observed last month.

Morse Richmond dba Automobile Handling Service
3250 Cahuanga Blvd.
Los Angeles

April 4, 1961

On contacting Mr. Mannie Amsterdam, salesman for this concern he advised that he could furnish a 1961 Chevrolet at fleet price, whereupon he called Citizens Chevrolet in Eagle Rock and asked for a Mr. Spoo who apparently no longer worked there. He then advised that an Edythe Karl be contacted at Citizens Chevrolet. As per instructions no further action was taken. No license was observed in the office however this is a used car lot and repossession lot.

Car Wholesalers
13328 Ventura Blvd.
Sherman Oaks

On April 22, 1961 a call on this establishment showed that they no longer furnished 1961 Chevrolets.

More Discount House
18300 Vanowen Blvd.
Reseda

On April 22, 1961 More Discount House was checked and found to be so busy that the salesman was unable to handle all his customers. It was observed that Chevrolet literature was on display. A further check will be made.

[fol. 1428] Fedco
W. 2nd St.
San Bernardino

Fedco was contacted on April 4, and advised that they were no longer selling 1961 Chevrolets but that in a few

weeks the would resume doing so as a contact was being made with a Los Angeles dealer. This information was given by the female employee in the auto insurance dept. No license was observed at this time.

Auto Mart (Gomco)
Lincoln Blvd.
Anaheim

On April 5, 1961 this establishment was contacted and advised that they were no longer engaged in selling new Chevrolets.

CAM Discount Store
S. Los Angeles St.
Anaheim

On April 5, 1961 a check was made at this discount store and it was found that they no longer engaged in the practice of selling new Chevrolets.

Cal Stores
Carson Blvd.
Long Beach

On April 18, 1961 CAL was checked and advised that new Chevrolets were not available at this time but to check back later.

Big A Discount House
Canoga Blvd. & Roscoe Blvd.
Canoga Park

On April 4, 1961 a check was made here and it was found that this establishment no longer engaged in the selling of any cars what so ever.

Fleet Sales Company
3870 Crenshaw Blvd.
Los Angeles

On April 4, 1961 a telephone call was placed to this establishment and it was found that a new Chevrolet could be purchased through this company at fleet price. On April 7, 1961 another call was placed to Fleet Sales requesting

information regarding a 1961 Chevrolet. In both cases caller was requested not to call at their office but the order was taken over the telephone and a purchase order mailed. In both cases the order directed the purchaser to contact Weright "Tex" Denman at Kenneth Chevrolet in Hawthorne. As per instructions no purchase was made.

[fol. 1429] Union Store
3395 Van Buren Blvd.
Arlington

On April 6, 1961 the Union Store was checked and found not to be selling automobiles.

Econo Car Center (ABC)
3328 Bolsa Ave.
Santa Ana

On April 7, 1961 salesman Czerny Presenger of Econo Car Center was contacted regarding the purchase of a 1961 Chevrolet. A \$50.00 deposit was placed with the order. On April 11, 1961 Curtis Van Roekel was contacted and he advised that he was having difficulty in locating the vehicle but that he should be able to do so in a day or two. On April 12, 13, 14, and 15th calls were placed to Mr. Van Roekel who stated that he still was unable to find the car. April 18, 1961 Mr. Van Roekel stated that he thought that he could get a car from Laddie Grover at Eddie Hopper Chevrolet in Garden Grove but that it was not the one ordered. On April 19, 1961 Van Roekel was contacted and he advised that he might be able to get the car and requested that the money be turned over to him so that he could buy the vehicle in question. A cashiers check for \$2,977.16 was turned over to him and it was understood that the car would be delivered that night but Van Roekel stated that it would have to be the following night. At that time he attempted to contact Laddie Grover but was unable to do so. He gave a receipt for the check. Since that date numerous attempts have been made to take delivery on the car or get a refund of the money. On April 26, 1961 Van Roekel stated that he would refund the money that night but he was unavailable when contact was undertaken. On

April 27th he was contacted at noon by telephone and he stated that he would be available that night. On contacting him he stated that he had traced the check back to the person that had issued it and had called the secretary of this person and had confirmed that the check was issued through the office of a person connected with the Chevrolets Dealers Association and that he had turned the check over to the federal government and that the anti-trust division of the FBI was investigating all persons connected with this transaction. He stated that he had been forced to buy back three new Chevrolets and that he was instigating a suit against the persons involved. He threatened to sue anyone connected with this transaction and to cause the purchaser to lose his job and to bring suit against him. He stated that he had attended anti trust meetings in Los Angeles the past week. No Admission was made on the part of the purchaser. Mr. Van Roekel refused to refund the money or deliver the automobile. This information was turned over to the proper authority. On April 13, 1961 another attempt was made to purchase a new Chevrolet from Econo Car Center. A \$25.00 deposit was made on a 1961 Chevrolet. Many attempts were made to take delivery between that date and April 27th but Van Roekel was unable to deliver the car. On the 27th he advised that a delivery could be made the following night through a Bob Huff, address and dealer unknown. He advised that he was in trouble with the anti trust people and stated that he may not be able to deliver any more cars after this one. On the 28th as per instructed the \$25.00 deposit was requested refunded. On the 30th this was done by Van Roekel.

[fol. 1430] March 28, 1961

Agent contacted employees at CAL discount store, Carson Blvd., Long Beach and was advised that he could purchase a 1961 Chevrolet. The total price was \$3053.48. A \$500.00 deposit was requested before delivery. (see attached adding machine tape)

This agent was advised that the vehicle would be trucked in from out of state.

This agent was advised that the local Chevrolet dealers objected to discount houses selling new 1961 Chevrolets so

it was necessary to do this. He was advised that the local dealer would service the vehicle.

CAL

3-29-61

Deavan S.

P. Dash.....	2 3 6 1 4 3 *
Radio.....	1 4 2 2
Heater.....	4 4 3 0
W. S. W.....	3 6 4 1
P. S.....	2 4 3 5
P. B.....	5 8 5 5
Disks.....	3 3 4 5
Trans.....	1 1 3 1
T. Glass.....	1 5 4 7 0
C. O. Vent.....	2 9 3 0
V. 8 230.....	4 2 0
Wipers.....	1 0 5 6 2
	1 3 0 1
	2 8 9 0 8 5 *
Tax.....	1 1 5 6 3
Lis.....	4 7 0 0
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	3 0 5 3 4 8

[fol. 1431] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 187

The following discount houses and "wholesale" car sales companys have been found to be selling new 1961 Chevrolet

Cars Wholesalers 13328 Ventura Blvd., Sherman Oaks
Auto Mart (Gemco) Lincoln Blvd., Anaheim

Leonard's Discount Dept. Store 601 Sepulveda Blvd., El Segundo

A. B. C. Store, W. 1st St., Santa Ana

Art Diamond Realty Co., 12135 Victory Blvd., Van Nuys

Fleet Sales 4715 Crenshaw Blvd., Los Angeles

Note:

On March 21, 1961 Leonard's Discount Dept. Store was rechecked and found no longer to be selling 1961 Chevrolet.

On March 22, 1961 A. B. C. Store was rechecked and arrangements are now being made to purchase another 1961 Chevrolet.

On March 28, 1961 arrangements were made by an agent of Efficiency Research Bureau to purchase a 1961 Chevrolet thru an unknown agency. This agent is to meet the contact behind Ben Frank's Resturant at Olympic and Vermont Ave. At this time it is believed this contact is using the name Associated Fleet Wholesalers. This contact is to be made Saturday, April 1, 1961.

The following discount houses and "wholesale" car sales companys were found Not to be selling 1961 Chevrolet

Consumer City Santa Ana

White Front Store Anaheim

La Brea Car Center Los Angeles

Artie Levine Los Angeles

William L. Mong Los Angeles

Cma Discount Store Anaheim

Leonard's Discount Store Anaheim

More Membership Dept. Store Reseada

Lou Gahron Los Angeles

[fol. 1432] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 189

April 7, 1961

This agent contacted an agent at Econo Car Center, ABC Discount Store, W. 1st St., Santa Ana.

Arrangements were made to purchase a 1961 Chevrolet for \$3027.16. A \$50.00 cash deposit was made. The agent is to be contacted Tuesday, April 11th to make arrangement to pick up the car. A purchase order was issued by the salesman of Econo Car Center.

April 6, 1961

This agent made a check on the Union Store, 3395 Van Buren Ave., Arlington and learned that that store no longer was engaged in selling new cars.

April 6, 1961

This agent contacted Fedco, San Bernardino and was advised that a 1961 Chevrolet could not be purchased at this time but arrangements were being made with a dealer in the Los Angeles Area to supply them with new Chevrolets and this agent was advised to return in a week or two.

[fol. 1433] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 190

Statement—Russ De Orto

May 23, 1961.

Gemco Car Center operates an automobile sales agency at Gemco Discount House, 2310 W. Lincoln Blvd., Anaheim. This automobiles selling center is operated by Curtiss Van Roekel. He was in charge of the operation on May 22, 1961 and also on Sunday, May 20. Van Roekel offered to sell new cars—any make and has listed in the advertising all of the new cars by name. On May 23, when I visited this booth, Van Roekel was then filling out a sales order for a man and woman who were purchasing a new car. The selling booth had a sign "Econo Car Center" but no license number of any kind appeared on the sign or anywhere around the selling booth. On a file cabinet in the rear of the booth appeared a temporary license issued by the Dept. of Motor Vehicles in the name "Econo Car Cente". I could not obtain the number on the license, if any, or its date but it appeared to be new and was attached to the filing cabinet by scotch tape. There was no salesman license or any other license visible issued by the Dept. of Motor Vehicles. On the counter at this selling booth was literature for various makes of automobiles, both foreign and domestic, including Ford, Chevrolet, Oldsmobile, Morse, MG, Valiant, Tempest and there were signs about the booth listing the names of the domestic vehicles. I asked Van Roekel if he could get me a Dodge or Plymouth new car and he said he said yes but Dodges were a little scarce at the moment. I first observed Econo Car Center at the Gemco store in the middle of May.

On March 7 I was in touch with Gemco regarding a new automobile and was referred to Auto-Mart, a used car dealership immediately adjoining the Gemco store. Later, when I called Auto Mart, I was advised they were no longer selling new cars but Gemco was handling new car business direct through their store. Following this, I contacted Econo Car Center. I called Gemco and they said "we will connect you with our new car department" and then Van Roekel at Econo Car Center answered the phone.

In the report I submitted, reference is made to deposits and the cars purchased. In each case the check used to [fol. 1434] purchase the car was made payable to the operator at the discount store, and in no case did I make out a check payable to a new car dealer who may have delivered the car. This was at the request of the operator.

[fol. 1435] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 191

Brockway Plan

This agent contacted Mr. Paul Brockway at the Brockway Plan office, 1809 S. Brand Blvd., Glendale, California, on April 17, 1961, and made arrangements to purchase a 1961 Chevrolet. At this time, Mr. Brockway advised this agent that he was an "automobile broker for credit unions" and that he was authorized to sell new cars. No automobile dealer's nor automobile salesman's license was observed on the premises.

On April 21, 1961, the 1961 Chevrolet was delivered at Allen Gwynn Chevrolet and a cashiers check for the full amount of the vehicle was presented to Mr. Dick Dodge of Allen Gwynn Chevrolet. The check was made out to the Brockway Plan.

Central Auto Store

This agent contacted Mr. Vern Anderson at the Union Store, new car department, 9135 Central Ave., Montclair, California, and made arrangements to purchase a 1961 Chevrolet. A \$50.00 deposit was given.

On May 2, 1961, this agent contacted a Mr. Russ Sandler at the Union Store and presented him with a check for the amount of the car. The check was made out to Union Auto Store, but Mr. Sandler advised the agent that the name of the business was Central Auto Store since they had taken over the business. Mr. Sandler advised the agent that he was a licensed dealer and directed attention to his license on the wall. This agent was able to make out the license number as D-1473. Also there were two salesman's licenses displayed on the wall, but the agent was not close enough to ascertain the names of the licensees.

Pan Pacific Purchasing

On April 20, 1961 this agent contacted a Mr. Sud at Pan Pacific Purchasing, 3848 Crenshaw Blvd., Los Angeles, California, who offered a 1961 Chevrolet at "fleet" price.

He stated that his organization was an automobile broker for various dealers. He stated that he was not a dealer and there was no automobile dealer nor automobile salesman's license in evidence. On contacting a Mr. Tom Shigaki at the same address this agent was advised that the organization could no longer deliver Chevrolets or Pontiacs, but [fol. 1436] that they would be able to make delivery on other makes of automobiles. No purchase was made.

Art Diamond Realty

On March 23, 1961, this agent contacted Herb Land and Don Smith at Art Diamond Realty Company, 12135 Victory Blvd., Van Nuys, California, and made arrangements to purchase a 1961 Chevrolet. Prices were given and while a deposit was requested, none was given. These men advised this agent that they were acting as agents for Art Diamond who was an automobile broker for several dealers in the Los Angeles area. No automobile dealer's license or automobile salesman's license was displayed in this office.

On March 24, 1961, this agent met Mr. Art Diamond at Citizens' Chevrolet Company, 2030 Colorado Blvd., Eagle Rock, California, and presented him with a check for the full amount of the 1961 Chevrolet and in turn, he turned over the vehicle to this agent. Mr. Spoo, a salesman for Citizens' Chevrolet, helped with the transaction.

Auto Handling Service

On April 4, 1961, this agent contacted Mannie Amsterdam, Automobile Handling Service, 3250 Cahuenga Blvd., Los Angeles and made inquiry to purchase a 1961 Chevrolet. Mr. Amsterdam advised this agent that he could get him a new 1961 Chevrolet. He telephone Citizens' Chevrolet in Eagle Rock and after a lengthy conversation, advised this agent to contact an Edythe Karr at Citizens' Chevrolet. This establishment has the appearance of a used car lot, but there was no evidence of an automobile dealers license nor an automobile salesman's license. No Purchase was made.

["The handwritten notes on this page are not legible, therefore not printed."]

More Membership Discount House

On April 22, 1961 this agent attempted to contact a salesman at More Discount House, new car department, but was unable to talk with him due to the number of prospective customers waiting. However, personal observation disclosed that there was no dealer's license nor automobile [fol. 1437] salesman's license visible.

On May 20, 1961, a contact was made at the More Discount House at 3443 S. Sepulveda, Los Angeles, California, and this agent was advised by a Mr. Joe Enright that a new car could be purchased through his company. No form of license was in evidence.

Car Wholesalers

On March 6, 1961, this agent contacted a salesman known only as "Jack" at Car Wholesalers, 13328 Ventura Blvd., Sherman Oaks, California, and made arrangements to purchase a 1961 Chevrolet. A deposit of \$100.00 was given. No dealer's nor automobile salesman's license were visible, however, this is a used car lot and there was one office on the premises to which this agent was unable to gain admission.

On March 7, 1961, delivery of a new 1961 Chevrolet was taken at Kendall Chevrolet, Redondo Beach, California. A check for the full amount of the car was given to "Jack." This check was made payable to Car Wholesalers.

Auto Mart

On March 7, 1961, this agent contacted a Mr. Lieberman at Auto Mart, W. Lincoln Ave., Anaheim, California, and made arrangements to purchase a 1961 Chevrolet. A deposit for \$286.00 was given. Mr. Lieberman advised this agent that the Auto Mart was a distributor for Chevrolet. This is a used car lot and there was a dealer's license on the wall but no salesman's license was in evidence. On March 10, 1961, this vehicle was delivered at Priester Chevrolet, Montrose, California.

[fol. 1438] Leonard's Department Store

On March 6, 1961, this agent contacted a Mr. Cliff Monroe, AAAA Auto Leasing, Leonard's Department Store, 601 Sepulveda Blvd., El Segundo, California, and made arrangements to purchase a 1961 Chevrolet. Mr. Monroe advised this agent that they were an auto leasing company and authorized to sell new cars. There was no dealer's license nor automobile salesman's license observed on the premises. A \$100.00 deposit was given to Mr. Monroe.

On March 9, 1961, the vehicle was delivered to this agent at Caldwell & Miller Insurance Agency, 7291 Crenshaw Blvd., Los Angeles, by Mr. Caldwell who stated that he was president of AAAA Auto Leasing Co. The check was made out to AAAA Auto Leasing Company. No automobile dealer's license nor automobile salesman's license was observed in this office.

Fedco, San Bernardino

This agent contacted the female clerk at the auto insurance window at Fedco, W. 2nd St., San Bernardino, California, on May 16, 1961, and was given a referral on a 1961 Chevrolet to Jack Coyle Chevrolet Company, San Bernardino. There was no license of any nature posted on, in or near this booth.

Econo Car Center

On April 7, 1961, this agent contacted Ernie Perringer of Econo Car Center at the ABC Store, 3328 Bolsa Ave., Santa Ana, California, and made arrangements to purchase a 1961 Chevrolet. A \$50.00 deposit was given. There was what appeared to be an automobile salesman's license on the wall, but this agent was unable to ascertain the exact nature of the document. A check with the Orange County license bureau disclosed that there was no record of Econo Car Center in their files as having obtained a county permit nor had they registered with the county as operating under a fictitious name. The City of Santa Ana had no record of [fol. 1439] Econo Car Center having obtained a city permit to operate a business. On checking with Econo Car Center at 5311 E. Olympic Blvd., Los Angeles, California,

it was established that this is the same organization as the Econo Car Center which is operating in Santa Ana and that the Los Angeles organization does have an automobile dealer's license. However, this license was not displayed on their business premises. It was ascertained that a Mr. Rufus Vaage was the owner of this company.

[fol. 1440] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 192

Union Store, Montclair

Tuesday, May 2, 1961

This agent contacted Vern Anderson, salesman and partner in the auto concession at the Union Store, Central Avenue and Freeway, in Montclair, California. Arrangements were made to purchase a 1961 Bel Aire hard-top 2-door coupe. A deposit of \$50.00 in cash was given to Vern Anderson. At this time it was observed that a temporary permit, #D-1473, was displayed on the wall along with other licenses made out to Russ Sandler and Vern Anderson, Central Auto Sales. Mr. Anderson advised this agent that Union Auto Sales had gone out of business and that the check for the car was to be made out to Russ Sandler and Vern Anderson. They advised this agent that they were licensed and had all the State permits. Business card with "Union Auto Sales" were displayed on the counter, however, but Mr. Anderson stated that they now called themselves "Central Auto Sales" since they took over the business.

Friday, May 5, 1961

This agent contacted Russ Sandler and Vern Anderson at the Union Store in Montclair to take delivery of the 1961 Chevrolet Bel Aire. Once again this agent questioned these men regarding licenses and was advised that they were licensed and bonded and were legitimate business men.

A check for the amount of \$2,888.40 made payable to the Union Auto Store along with \$13.64 in cash was given to Russ Sandler. The \$13.64 represented an additional charge for padded dash which was not included in the original order. A receipt was give signed by Russ Sandler. Russ Sandler then advised this agent that he could take delivery of the vehicle at College Chevrolet, Clairmont. He gave this agent a sealed envelope to give to a Mr. Seth Johnson. This agent then proceeded to College Chevrolet Company, 191 S. Indian Hill Blvd., Clairmont, where he contacted Seth Johnson, salesman who handled the transaction, completing the necessary papers and filling out the proper forms. Mr.

Johnson advised this agent that Russ Sandler and Vern Anderson were licensed dealers and were permitted to sell new automobiles.

[fol. 1441] The vehicle was driven to Hub Garage in Pomona and stored for safe-keeping. The parking ticket, along with other papers and information pertaining to this transaction were turned over to the proper authority.

[fol. 1442] Tuesday, May 2, 1961

This agent contacted Vern Anderson, Union Store, Montclair, and made arrangements to purchase a 1961 Chevrolet. At this time it was observed that Dealer's license number D-1763 was displayed along with Auto Salesman's license for Russ Sandler and Vern Anderson. This agent left a \$50.00 deposit with Mr. Anderson.

Friday, May 5, 1961

This agent contacted Russ Sandler and Vern Anderson at the Union Store in Montclair and made arrangements to pick up a 1961 Chevrolet at College Chevrolet, 191 S. Indian Hill Blvd., Clairmont.

This agent contacted Mr. Seth Johnson, College Chevrolet, who delivered the 1961 Chevrolet Bel Aire hard-top to this agent. Mr. Johnson stated that Vern Anderson was a friend of his and for that reason he furnished cars to the Union Store. A check for the amount of \$2888.40 payable to Union Store plus a cash payment of \$13.44 (added for the padded dash) was given to Russ Sandler who in turn gave this agent a sealed envelope to give Mr. Johnson.

The vehicle was then driven to the Hub Garage in Pomona and stored. The parking ticket along with other papers pertaining to this transaction were turned over to the proper authority.

[The handwritten notes on this page are not legible, therefore not printed.]

[fol. 1443] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 193

Brock-Way Plan

April 7, 1961

This agent contacted an employee of the Brock-Way Plan at 1809 S. Brand Blvd., Glendale, California. He was advised by the female employee that a 1961 Chevrolet could be purchased through the Brock-Way Plan at about \$150.00 over factory invoice. She further stated that the Chevrolet would come from Allen Gwynn Chevrolet in Glendale. She stated that Mr. Brockway specialized in selling to credit unions. No license was observed on the premises by the agent.

April 17, 1961

Two agents contacted Mr. Paul Brockway at the Brock-Way plan at the above address. Mr. Brockway stated that he was a licensed fleet salesman and that he could deliver a new 1961 Chevrolet at a considerable discount. He further stated that he would deliver the car through Allen Gwynn Chevrolet in Glendale. Arrangements were made to buy a 1961 Chevrolet four-door station wagon. No deposit was given.

April 20, 1961

This agent called Mr. Brockway by telephone and was advised to meet him at Allen Gwynn Chevrolet in Glendale to take delivery of the Chevrolet station wagon mentioned above.

April 21, 1961

The two agents contacted Mr. Dodge of Allen Gwynn Chevrolet and took delivery of the above vehicle, giving him a cashier's check for the full amount of the purchase price. This check was made out to the Brock-Way Plan.

The vehicle was then driven to the Santa Fe Garage in Glendale and placed in storage. The parking ticket for the

vehicle was delivered to Mr. Roberts. The vehicle was inspected at this time by the general manager of this company and found to be free from scars, marks and/or any noticeable defects.

[fol. 1444] The warranty book and other papers connected with the vehicle were left in the glove compartment.

April 22, 1961

Two agents of this company contacted a female employee of the Brock-Way Plan and were introduced to Mr. Dodge who stated that he was not an employee of the Brock-Way Plan but would handle the matter in the absence of Mr. Brockway. An inquiry was made concerning the purchase of a 1961 Chevrolet convertible. Mr. Dodge advised these agents that Mr. Brockway was a licensed fleet buyer. He stated that Allen Gwynn did not own any part of the Brock-Way Plan but only held the master lease to the building and did furnish the Brock-Way Plan with their cars.

Mr. Dodge took these agents to Allen Gwynn Chevrolet in Glendale to inspect a 1961 Chevrolet convertible. While these agents were in the Brock-Way Plan office, no license was observed in evidence. Mr. Brockway came into the office during the transaction and was introduced to the agents as the owner by Mr. Dodge. As per instructions from Mr. Roberts, no buy was made.

[fol. 1445] BROCK-WAY PLAN CI 48411

A service designed to assist credit union members in the purchase of new or used cars. Any make or model.

PAUL BROCKWAY

CHapman 5-3753
9 to 5

Florida 3-7979
Day or Night—24 Hours

Figures given by Dick Dodge at the Brockway Plan office
April 22nd—on a 1961 convertible.

[fol. 1446] Memo Sheets

File Number: —

Date:—

File: Brockway Plan

Office Conference

Telephone Conversation—With Station Wagon

Jerry & Sally Huff
Glendale

[fol. 1447] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 195

Received March 6, 1961

March 4, 1961.

Glenn S. Roberts
Suite 1009 Rowan Building
458 South Spring St.
Los Angeles 13, Calif.

Dear Glenn:

Pursuant to your telephone call yesterday, please be advised that I know of no discount houses operating in the territory around me. The only discount house I know in Pasadena is Phillips and I do not believe they are in the automobile business.

As to dealers still selling cars to discount houses, I am still getting persistent rumors that Eagle Rock is still in this business. As I heard it, he is selling not only direct to discount houses, but primarily to a phony fleet operation who channel the cars to the discount houses. I heard that his February new car deliveries considerably exceeded recent prior months which might or might not indicate something.

Both Porter and Clay were supplying discount houses but whether they are still doing so or not, I do not know. I have heard that Priester is still supplying new cars to several Used Car Lots on Colorado avenue, most of which are channeled through a Used Car dealer by the name of Andy Anderson. This is all the information I have on this subject at the moment.

Very truly yours, E. H. Colliau.

EHC/ng

Mar. 13. phoned Evelyn re 3 letters.

[fol. 1448] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 196

Received March 7, 1961

BOB ERSKINE CHEVROLET

363 East Holt Avenue, Pomona, California—NA 2-1136

March 6, 1961.

Glenn Roberts
458 S. Spring St.
Suite 1009
Los Angeles 13, Calif.

Dear Glenn:

There are three discount houses in this area that we would like to place on your "Shopping List".

In Montclair, Calif. (midway between Pomona and Ontario) is one called the Union Store. It is located on Central Avenue and San Bernardino Freeway. It was one of Citizen Chevrolet's favorite outlets.

In Riverside, Calif. there is also one called Union Store. It is located at 3395 Van Buren. Phone Overland 9-5400.

In San Bernardino there is one called Fedco. Its address is 1140 W. 2nd St.

If you wish further info please let me know.

Thanks and regards, Bob Erskine.

BE:jg

[fol. 1449] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 197

Received March 7, 1961

COMMUNITY CHEVROLET

THornwall 8-4471

Victoria 9-3333

Sales

Service

80 East Olive Avenue—Burbank, California

March 6, 1961.

Mr. Glenn S. Roberts
Suite 1009 Rowan Building
458 South Spring Street
Los Angeles 13, California

Dear Glenn:

Persuiant to our phone conversation of last week; Mr. Mariott, Sales Manager for Rancho Chevrolet, Reseda, reports that Moore's Membership Department Store at 18300 Van Owen Blvd., Reseda, offered to sell a new Chevrolet to a customer and friend of his on Friday, March 3.

Mr. Mariott also reported that an employee in the Reseda Bank bought a new Chevrolet from the Ex-Chevrolet Dealer in Glendale. Howell is opening a Leasing and Used Car Business in Glendale across the street from his old Dealership. The bank employee reports that he was invited to send his friends as they (Howell) can supply their needs at a better price.

We are pleased to report that the big outlet in Conoga Park-Big "A" Discount House has closed their Auto Department.

We feel that you should refer the two above outlets over to the investigators for a thorough check.

Yours truly, Community Chevrolet, Roger Sorensen, Vice President.

[fol. 1450] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 198

December 16, 1960.

Mr. Owen Keown, President
Owen Keown Chevrolet Company
Lincoln & Washington Blvds.
Venice, California

Dear Mr. Keown:

Your letter of December 6, 1960, to Mr. E. N. Cole, has been referred to me for handling. I am quoting below a reply to a letter on the same subject, received from another Chevrolet dealer in your area, made by Mr. J. M. Rocho, Vice-President, General Motors Corporation, in charge of Distribution Staff:

"This will acknowledge receipt of your letter of November 28, 1960, addressed to Mr. John F. Gordon, President, General Motors Corporation, referring to the increasing number of membership discount outlets in your area of sales and service responsibility offering new General Motors cars for sale to members and their friends. As you are no doubt aware, the Car Divisions of the Corporation have received similar letters and telegrams from a number of their dealers and employees of such dealerships in different sections of the country.

"The substance of these communications, while varying in content, implies that General Motors Corporation as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new General Motors products. Some have even suggested that General Motors condones those practices as a means of obtaining additional sales.

"All these implications are entirely unwarranted, and reflect a lack of understanding by some of the General Motors Quality Dealer Program and the continuity of our efforts to implement the Program.

[fol. 1451] "General Motors Corporation does not

and has not sold its new passengers cars and trucks for resale to any outlets other than authorized General Motors dealers. Frankly, I believe every General Motors dealer knows this, but it appears that some of their employees may not be quite as well informed.

"The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organizations of the Car and Truck Divisions.

"Inquiries have been made, and we are advised that those discount outlets either (1) purchase their General Motors motor vehicles from General Motors dealers for resale to members and their friends, or (2) by prearrangement with some General Motors dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the General Motors dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering General Motors dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

"Where the motor vehicles are purchased from a General Motors dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing our deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

"When a customer purchases a new-used General Motors car from one of the so-called discount houses, he reportedly does not receive a General Motors Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase

needs of the customer. In attempting to trade upon [fol. 1452] the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized General Motors dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames General Motors because, as an owner of a General Motors product, he expects the same high degree of service which owners of General Motors vehicles have learned to enjoy over the years from the General Motors dealer organization.

"While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, we have at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

"On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

'For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

'This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit.'

"The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealer Selling Agreements.

"More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

"General Motors Corporation recognizes the problems raised by the discount house new car merchandising activities in your area. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will

of the dealer organization, the manufacturer, and the product.

"The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the problem [fol. 1454] as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement.

"Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

"I would appreciate your reviewing this letter with your salesmen, so that they will more fully understand the position of General Motors with respect to the matters outlined herein. If any of your salesmen have written or wired us on this matter, this would serve as a means of acknowledging their letters."

I assure you that Chevrolet is in complete accord with the Corporation's position on this subject and our Regional and Zone Management have been directed to discuss the subject accordingly with all Chevrolet dealers concerned.

Your letter expressing your viewpoints and concern was sincerely appreciated.

Very truly yours, K. E. Staley, General Sales Manager.

KES:gp

cc: Mr. R. M. Cash—Pacific Coast Region, Mr. R. M. O'Connor—Los Angeles Zone, Mr. E. N. Cole.

[fol. 1455] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 200

CHEVROLET—CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

August 1, 1960

To All Chevrolet Dealers:

In the relatively near future, representatives of our Chevrolet Wholesale Organization will be meeting with you to review the provisions of a new Selling Agreement effective November 1, 1960.

For your information, we are forwarding you a copy of a letter of instructions issued to all of our representatives who will be handling the execution of the Selling Agreement and its operation.

Very truly yours, K. E. Staley, General Sales
Manager.

KES:Gm

[fol. 1456] Origin No.: SM-35 C.O. No.: 60-655

Subject: Instructions for Handling the Execution of the
New Selling Agreements.

CHEVROLET—CENTRAL OFFICE
Division of General Motors Corporation
Detroit 2, Michigan

July 29, 1960.

To All Chevrolet Wholesale Personnel

During the forthcoming weeks you will be undertaking the negotiations of the new Chevrolet Dealer Selling Agreements to become effective on November 1, 1960, following the expiration of the current five (5) year term Agreements. It is particularly important, therefore, that all representatives of Chevrolet Motor Division who will contact dealers in connection with the execution of the new Selling Agreements reacquaint themselves with the instructions outlined below dealing with the rights and obligations of the parties. Most Chevrolet personnel are fully aware of these matters, but this outline should be helpful to them as well as more recently employed divisional representatives:

1. The wording of the Selling Agreement cannot be changed.
2. The Selling Agreement speaks for itself.
3. The Dealer has the right to accept or reject the Selling Agreement.
4. All the rights and obligations of the parties are spelled out in the Selling Agreement, and there are and should be no other conditions, understandings, or agreements.
5. The Selling Agreement covers the sale and distribution of Chevrolet motor vehicles. In the negotiation and execution thereof, the Chevrolet representative is not to discuss, give any advice, or make any recommendations, even if they are solicited, with respect to the business activities, decisions, or programs of the dealer, relating to the sale and distribution of any other make of motor vehicle being handled by the Dealer.

6. Chevrolet representatives should confine their discussion to the Chevrolet motor vehicles covered by the Selling Agreement, the provisions of the Selling Agreement being offered, and to the negotiations [fol. 1457] of normal business matters related to the Selling Agreement, its operation, and the sale and distribution of the Chevrolet products covered thereby.

In other words, the dealer has the right to sell and distribute other products and divisional representatives should neither question nor interfere with that right. On the other hand, if the dealer's other business activities result in any failure of performance of the terms and conditions of the Chevrolet Selling Agreement, divisional representatives may discuss such failure of performance.

There must be strict adherence by all Chevrolet representatives to the instructions outlined above.

Very truly yours, K. E. Staley, General Sales
Manager.

KES:Gm

[fol. 1458] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 201

Received January 23, 1961

Inter-Organization Letters Only

To: Mr. H. E. Crawford, Address, 13-142

From: L. N. Mays, Address A-266

Subject: Discount House Activity Pacific Coast Region

January 18, 1961.

Dear Mr. Crawford:

This letter is intended only to confirm our telephone conversation on Tuesday of this week.

Immediately after receiving copies of the letters written by Mr. Roche in reply to letters received on this subject from certain dealers in the Pacific Coast Region, Mr. Cash, our Regional Manager, organized to implement that paragraph on page 4 of Mr. Roche's letter which stated, "The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers . . ."

Mr. Cash promptly arranged for and personally had individual conferences with each of the approximately 15 dealers in the Los Angeles Zone who were known to be cooperating, in one form or another, in the sale of new cars through the various discount houses. In these conferences, Mr. Cash reviewed the contents of Mr. Roche's letter and the very logical reasoning behind the position taken by General Motors on this subject which, obviously, was just as important to the benefit of individual Chevrolet dealers as it would be of benefit to General Motors in protecting the franchise system of operation. Immediately concluding Mr. Cash's conferences with these particular dealers, it was arranged that Mr. O'Connor, the Zone Manager, together with the City Managers in Los Angeles and the Assistant Zone Manager, divide up and hold personal conferences with all the other dealers in the Zone of whom there was no knowledge of their having

cooperated in the sale of new cars through discount houses. This was done in order that every dealer with whom the subject was discussed would know that a similar discussion was being held with all other dealers so that, if certain dealers should elect to discontinue their cooperation with a discount house, we might be able to discourage some other dealer who might be solicited from starting the practice.

When Mr. Staley and I were discussing this subject with Mr. Cash, at the time we were in San Francisco for the Motorama, he told us that he was especially pleased, and somewhat surprised, at the attitude of all dealers with whom he had discussed this subject. He said that every one of them expressed appreciation that General Motors and Chevrolet had taken the position on this subject [fol. 1459] as indicated in Mr. Roche's letter and, in each case, he said that the dealer agreed that the practice would become increasingly detrimental to all automobile dealers if it continued. Knowing that the subject was being discussed with all Chevrolet dealers in the area, every dealer voluntarily told Mr. Cash that he would stop any cooperation which he had had with various discount houses in the area. Mr. Cash said that similar reaction was received by Mr. O'Connor and the other wholesale men who had had similar conferences with other dealers in the Zone and that they sincerely believed that, through this voluntary cooperation on the part of all dealers, this serious situation will be diminished to, or near, the vanishing point insofar as Chevrolet products were concerned.

Toward the end of our discussion with Mr. Cash, it was agreed that, after a little time had elapsed, it would be well for Mr. Cash to make the necessary arrangements to actually shop some of these discount houses in order to see if any Chevrolet dealers were still cooperating with them.

In fact, Mr. Staley asked Mr. Cash to start shopping some of the discount houses on or about January 19th, which happens to be tomorrow. It was agreed that, if need be, the individual who would be actually trying to make a deal through a discount house would be authorized to go through the consummation of a sale and actually buy

a new Chevrolet. Any costs involved with regard to this shopping could be charged to Central Office.

As you know, under date of December 29th, the approved letter stating General Motors and Chevrolet's position on this subject was forwarded over Mr. Staley's signature to all Chevrolet dealers throughout the country. We believed this was very important, and has since proved to be, as there have been indications of discount house operations being started in other areas.

I am sure that Mr. Cash will inform us of any results which come from the shopping activity in the Los Angeles area. I will be pleased to keep you advised on this and any other developments with regard to this important subject.

Yours very truly, L. N. Mays.

LNM/ec

cc: Mr. K. E. Staley,

(Handwritten note, p. 2, reads as follows:)

* Discussed with Mays—with regard to our position of not taking any direct action with any Dealer—contrast to our legal position.

HEC 1/23/61

[fol. 1460] IN THE UNITED STATES DISTRICT COURT
PLAINTIFF'S EXHIBIT No. 212

THE STATISTICAL MARK OF EXCELLENCE

Prepared by Statistical Tabulating Corporation
Offices in Principal Cities . . . Coast to Coast

SUPPLEMENTAL INFORMATION

TYPE OF SALE DESIGNATION

- 1 - REGULAR SALE
- 2 - SALE THROUGH A DISCOUNT HOUSE OR REFERRAL SERVICE OUTLET LISTED IN STIPULATION OF FACTS NO. 1, WITH COMPLETE PRICING INFORMATION AVAILABLE
- 21 - NONCURRENT MODEL SALE
- 22 - DEMONSTRATOR OR COMPANY CAR SALE
- 23 - SPECIAL CIRCUMSTANCE SALE
- 24 - SALE THROUGH A DISCOUNT HOUSE OR REFERRAL SERVICE OUTLET LISTED IN STIPULATION OF FACTS NO. 1, BUT WITH COMPLETE PRICING INFORMATION UNAVAILABLE
- 25 - SALE THROUGH A DISCOUNT HOUSE OR REFERRAL SERVICE OUTLET NOT LISTED IN STIPULATION OF FACTS NO. 1

OUTLET NUMBER DESIGNATION

- | | |
|-------------------------------------|--|
| 1 - AAAA AUTO LEASE AND SALES, INC. | 7 - ROBERT CHICO |
| 2 - AUTOCRAWA | 8 - DEALERS DIVERSIFIED SERVICES, INC. |
| 3 - THE BROCKWAY PLAN | 9 - ARTHUR DIAMOND |
| 4 - CAL FLEET AUTO SALES | 10 - FLEET SALES CO. |
| 5 - CAR WHOLESALERS | 11 - UNION CAR SALES |
| 6 - CASTLE SALES, INC. | 12 - UNION FLEET, INC. |

DEALER - BIGGS

PAGE 1

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	46--78	1	0569-0	1		2439	1984	455
1	46--79	1	1111-0	33				
1	46--80	1	1867-0	1		3034	2843	191
1	46--81	1	1235-0	2	8	2884	2641	243
1	46--82	1	0769-0	1		2387	2061	326
1	46--84	1	0569-0	32				
1	46--85	1	0769-0	1		2340	2062	278
1	46--86	1	1837-0	1		2939	2675	264
1	46--87	1	1635-9	31				
1	46--88	1	1611-0	33				
1	46--89	1	1837-0	1		3116	2722	394
1	46--90	1	1837-0	1		3425	2665	760
1	46--91	1	1867-0	1		3200	2814	386
1	46--92	1	0867-0	1		3666	3377	289
1	46--93	1	0769-0	1		2237	1961	276
1	46--94	1	0769-0	1		2612	2097	515
1	46--95	1	0569-0	1		2320	2004	316
1	46--97	1	1839-0	2	8	3359	2985	374
1	46--98	1	1837-0	2	8	2597	2330	267
1	46--99	1	1619-0	33				
1	47--00	1	1111-0	33				
1	47--01	1	1839-9	31				
1	47--02	1	0769-0	1		2533	2021	512
1	47--03	1	0769-0	2	8	2179	1929	250
1	47--04	1	1119-0	1		2374	2210	164
1	47--05	1	0569-0	33				
1	47--06	1	1611-0	33				
1	47--07	1	1619-0	33				
1	47--08	1	1839-0	1				
1	47--09	1	0769-0	2	8	3090	2800	290
1	47--10	1	0769-0	2	8	2426	2037	294
1	47--11	1	1635-9	33			2095	331

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	47--13	1	0769-0	1		2406	2111	295
1	47--14	1	0769-0	1		2368	1904	464
1	47--15	1	1837-0	2	8	2869	2578	291
1	47--16	1	1535-0	1		2947	2538	409
1	47--17	1	1111-0	33				
1	47--18	1	1837-0	2	8	2626	2319	307
1	47--19	1	0569-0	1		2357	1992	365
1	47--20	1	1719-0	1		2865	2459	406
1	47--21	1	0769-0	1		2331	2063	268
1	47--22	1	1111-0	33				
1	47--23	1	1537-0	1		2734	2404	330
1	47--24	1	1235-0	2	8	2764	2524	238
1	47--34	1	0769-0	2	8	2369	2078	291
1	47--35	1	1639-0	33				
1	47--36	1	1837-0	2	8	3062	2819	243
1	47--37	1	1839-0	2	8	2949	2685	264
1	47--38	1	1835-0	1		3058	2777	281
1	47--39	1	1537-0	1		2629	2358	271
1	47--40	1	1839-0	33				
1	47--41	1	0867-0	1		3993	3505	488
1	47--42	1	1111-0	33				
1	47--43	1	1839-0	1		3039	2710	329
1	47--44	1	1619-9	31				
1	47--45	1	1111-0	33				
1	47--46	1	1111-0	33				
1	47--47	1	1111-0	33				
1	47--48	1	1111-0	33				
1	47--49	1	1837-0	2	8	2918	2652	266
1	47--50	1	1111-0	33				
1	47--51	1	0769-0	1		2157	1926	231
1	47--52	1	1111-0	33				
1	47--53	1	1111-0	33				
1	47--54	1	1837-0	1		3074	2633	441

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - BIGGS

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	47--55	1	0769-0	1		2354	2111	243
1	47--56	1	1119-0	33				
1	47--57	1	1111-0	33				
1	47--58	1	1211-0	33				
1	47--59	1	1111-0	1				
1	47--60	1	1115-0	2	8	2415	2102	313
1	47--61	1	0769-0	2	8	2564	2277	287
1	47--62	1	1837-0	2	8	2415	2068	347
1	47--63	1	1611-0	1		2890	2598	292
1	47--64	1	0867-0	1		2759	2380	379
1	47--65	1	1221-9	31		3863	3410	453
1	47--66	1	1211-0	33				
1	47--67	1	1837-0	2	8	2939	2613	326
1	47--82	1	1519-0	1		2416	2113	303
1	48--02	1	1119-0	33				
1	48--09	1	1635-0	2	8	3056	2738	318
1	48--10	1	0769-0	33				
1	48--11	1	0569-0	33				
1	48--12	1	1111-0	33				
1	48--13	1	1645-9	31				
1	48--14	1	1639-9	31				
1	48--15	1	1611-0	2	8	2663	2397	266
1	48--42	1	1511-0	33				
1	48--44	1	1635-0	1				
1	48--45	1	0569-0	2	8	2992	2758	234
1	48--46	1	1635-0	2	8	2099	1823	276
1	48--47	1	1619-0	33	8	2944	2693	251
1	48--48	1	1839-9	31				
1	48--50	1	1837-0	33				
1	48--56	1	1611-0	2	8	2683	2380	303
1	48--57	1	1219-9	31				
1	48--58	1	0569-0	1				
1	48--59	1	0569-0	1				

NET

MODEL NO.

DEALER

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	48--60	1	0769--0	1		2440	2086	354
1	48--61	1	1837--0	2	8	2905	2637	268
1	48--62	1	1837--0	2	8	2879	2545	334
1	48--71	1	0867--0	2	8	3683	3334	349
1	48--72	1	1837--0	33				
1	48--73	1	0569--0	1		2445	1988	457
1	48--95	1	1837--0	1		3101	2633	468
1	48--96	1	1837--0	1		2812	2603	209
1	48--97	1	1111--0	33				
1	48--98	1	1111--0	1		2420	2121	299
1	48--99	1	1619--9	31				
1	49--00	1	1837--0	1		3119	2724	395
1	49--01	1	1837--0	1		2897	2646	251
1	49--02	1	0769--0	33				
1	49--09	2	0769--0	2	8	2315	2062	253
1	49--10	2	0769--0	2	8	2306	2053	253
1	49--11	2	1837--0	2	8	2951	2685	266
1	49--12	2	0569--0	33				
1	49--13	2	1111--0	33				
1	49--14	2	1519--0	2	8	2638	2360	278
1	49--15	2	0867--0	1		3859	3497	362
1	49--16	2	0769--0	1		2371	2086	285
1	49--17	2	1837--0	2	8	2874	2605	269
1	49--18	2	0769--0	1		2308	2045	263
1	49--20	2	1837--0	1		3000	2633	367
1	49--21	2	0769--0	1		2425	2053	372
1	49--22	2	0769--0	1	8	2310	2029	281
1	49--23	2	0769--0	2	8	2315	2054	261
1	49--24	2	1645--9	31				
1	49--25	2	1839--0	2	8	3322	3064	258
1	49--27	2	1837--0	2	8	2847	2588	259
1	49--28	2	1111--0	33				
1	49--30	2	0769--0	2	8	2290	2086	204

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	49--31	2	1867-0	1		3132	2880	252
1	49--32	2	1867-0	33				
1	49--33	2	1867-0	33				
1	49--34	2	1639-9	31				
1	49--35	2	1835-0	1	8	3475	2947	528
1	49--36	2	0769-0	2		2374	2069	305
1	49--37	2	0769-0	2	8	2321	2064	257
1	49--38	2	1867-9	31				
1	49--39	2	1837-0	33				
1	49--40	2	1111-0	2	8	2224	1968	256
1	49--41	2	1645-0	2	8	3296	2982	314
1	49--42	2	1839-0	2	8	3016	2756	260
1	49--44	2	1235-0	1		2831	2513	318
1	49--45	2	1639-0	1		2971	2520	441
1	49--46	2	1837-0	2	8	3003	2719	284
1	49--47	2	1635-0	2	8	2889	2632	257
1	49--48	2	1637-0	2	8	2793	2451	342
1	49--49	2	0727-0	1		2583	2057	526
1	49--50	2	1837-0	2	8	2939	2671	268
1	49--51	2	1839-0	2	8	2876	2565	311
1	49--52	2	0769-0	1		2338	2078	260
1	49--53	2	1619-0	1		2536	2130	406
1	49--54	2	0769-0	2	8	2336	2053	283
1	49--55	2	1111-0	33				
1	49--56	2	1539-0	1		2737	2381	356
1	49--57	2	1837-0	1		3411	3127	284
1	49--58	2	1235-0	2	8	2778	2528	250
1	49--59	2	1837-0	2	8	2844	2588	256
1	49--60	2	1219-0	2	8	2278	2278	229
1	49--61	2	0727-0	1		2369	2040	329
1	49--62	2	1869-0	33				
1	49--63	2	1869-0	33				
1	49--64	2	1869-0	33				
1	49--65	2	1869-0	33				
1	49--66	2	1869-0	33				
1	49--67	2	1869-0	33				
1	49--68	2	1869-0	33				
1	49--69	2	1869-0	33				
1	49--70	2	1869-0	33				
1	49--71	2	1869-0	33				
1	49--72	2	1869-0	33				
1	49--73	2	1869-0	33				
1	49--74	2	1869-0	33				
1	49--75	2	1869-0	33				
1	49--76	2	1869-0	33				
1	49--77	2	1869-0	33				
1	49--78	2	1869-0	33				
1	49--79	2	1869-0	33				
1	49--80	2	1869-0	33				
1	49--81	2	1869-0	33				
1	49--82	2	1869-0	33				
1	49--83	2	1869-0	33				
1	49--84	2	1869-0	33				
1	49--85	2	1869-0	33				
1	49--86	2	1869-0	33				
1	49--87	2	1869-0	33				
1	49--88	2	1869-0	33				
1	49--89	2	1869-0	33				
1	49--90	2	1869-0	33				
1	49--91	2	1869-0	33				
1	49--92	2	1869-0	33				
1	49--93	2	1869-0	33				
1	49--94	2	1869-0	33				
1	49--95	2	1869-0	33				
1	49--96	2	1869-0	33				
1	49--97	2	1869-0	33				
1	49--98	2	1869-0	33				
1	49--99	2	1869-0	33				
1	49--100	2	1869-0	33				

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NET

MODEL NO.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	50--02	2	1111-0	33				
1	50--03	2	1111-0	33				
1	50--04	2	1111-0	33				
1	50--05	2	1219-0	1	8	2529	2276	253
1	50--06	2	0569-0	2		2228	1985	243
1	50--07	2	0769-0	1		2356	2056	300
1	50--08	2	1111-0	33				
1	50--09	2	1867-0	1		3047	2887	160
1	50--10	2	1611-0	33				
1	50--11	2	1619-9	31				
1	50--12	2	0569-0	33				
1	50--13	2	1619-0	33				
1	50--14	2	0569-0	33				
1	50--15	2	0769-0	2	8	2212	1959	253
1	50--16	2	1837-0	1		2847	2631	216
1	50--17	2	1837-0	2	8	2935	2671	264
1	50--19	2	1639-9	31				
1	50--20	2	0727-0	1				
1	50--21	2	0769-0	1		2489	2026	463
1	50--22	2	0867-0	1		2386	2101	285
1	50--23	2	1837-0	1		3575	3364	211
1	50--24	2	1619-0	33		2974	2719	255
1	50--29	2	1837-0	33				
1	50--30	2	1211-0	1	8	3005	2342	663
1	50--31	2	1837-0	2	8	2724	2447	277
1	50--32	2	1835-0	2	8	3236	2958	278
1	50--33	2	0769-0	1	8	2325	2053	272
1	50--34	2	0769-0	2		2274	2020	254
1	50--35	2	1837-0	1		2902	2613	289
1	50--36	2	1837-0	1		2500	2254	246
1	50--37	2	1837-0	2	8	2876	2619	257
1	50--38	2	1837-0	2		2725	2672	251
1	50--39	2	1837-0	2		2725	2672	251

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	50-41	2	1839-0	1		2902	2686	216
1	50-42	2	1219-0	33				
1	50-43	2	1111-0	33				
1	50-44	2	1111-0	33				
1	50-45	2	1111-0	33				
1	50-46	2	1111-0	33				
1	50-47	2	1111-0	33				
1	50-48	2	1111-0	33				
1	50-49	2	1111-0	33				
1	50-50	2	1111-0	33				
1	50-51	2	1111-0	33				
1	50-52	2	1111-0	2	8	2224	1969	255
1	51-32	2	1635-0	2	8	2929	2666	263
1	51-33	2	0867-0	2	8	4008	3664	344
1	51-34	2	1837-0	2	8	2871	2608	263
1	51-35	2	0727-0	1		2438	2042	389
1	51-36	2	0769-0	1		2236	1981	255
1	51-37	2	1619-0	33				
1	51-38	2	1837-0	1		3154	2814	340
1	51-39	2	1837-0	33				
1	51-40	2	1611-0	1		3050	2787	263
1	51-41	2	1837-0	1		2506	2288	218
1	51-42	2	0727-0	2	8	3022	2730	292
1	51-43	2	1837-0	1		2332	2057	275
1	51-45	2	0569-0	1		2813	2548	265
1	51-46	2	1639-0	33				
1	51-47	2	1619-0	33				
1	51-63	2	0727-0	33				
1	51-64	2	0727-0	1		2385	2063	322
1	51-65	2	0727-0	1		2290	2032	258
1	51-66	2	1837-0	2	8	3000	2701	299
1	51-82	2	0727-0	1		2316	2037	279
1	51-83	2	1737-0	1		2711	2473	238
1	51-83	2	1835-0	33				

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	51--84	2	0727-0	2	8	2217	1961	256
1	51--85	2	1235-0	2	8	2787	2552	235
1	51--86	2	1839-0	2	8	2876	2613	263
1	51--87	2	1645-0	2	8	3052	2788	264
1	51--88	2	1739-0	2	8	2615	2349	266
1	51--89	2	1619-0	33				
1	51--90	2	1111-0	33				
1	51--91	2	1111-0	33				
1	51--92	2	1639-9	31				
1	51--93	2	0569-0	1		2204	1875	329
1	51--95	2	0769-0	2	8	2261	2011	250
1	51--96	2	1645-0	1		3488	3200	288
1	51--97	2	1837-0	1		2647	2518	129
1	51--98	2	1837-0	1		2978	2647	331
1	52--02	2	0569-0	1		2073	1758	315
1	52--03	2	1839-0	1		2915	2648	267
1	52--04	2	1837-0	1		3100	2625	475
1	52--05	2	1867-0	1		3018	2749	269
1	52--06	2	1619-0	2	8	2648	2439	209
1	52--07	2	1767-0	1		2804	2466	338
1	52--10	2	1837-0	1		3077	2577	500
1	52--11	3	1111-0	1		2318	2164	154
1	52--19	3	1111-0	1		2082	1882	200
1	52--20	3	1637-0	1		2793	2476	317
1	52--21	3	0769-0	2	8	2276	2055	221
1	52--22	3	1635-0	1		2860	2741	119
1	52--23	3	1545-9	31				
1	52--24	3	1235-0	33				
1	52--25	3	1235-0	33				
1	52--26	3	1519-0	31				
1	52--27	3	0569-0	31				
1	52--28	3	0569-0	31				
1	52--29	3	0569-0	31				
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1	52--42	3	0569-0	31				
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1	52--191	3	0569-0	31				
1	52--192	3	056					

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	52--32	3	1837-0	2	8	2759	2479	280
1	52--33	3	1837-0	1		3142	2741	401
1	52--34	3	1235-0	2	8	2823	2511	312
1	52--35	3	1837-0	2	8	2807	2535	272
1	52--36	3	0769-0	1		2275	2084	191
1	52--37	3	1819-0	2	8	2910	2647	263
1	52--38	3	1511-0	1		2543	2135	408
1	52--39	3	1639-9	31				
1	52--40	3	1645-0	2	8	3182	2924	258
1	52--41	3	1839-0	33				
1	52--42	3	1737-0	1		2620	2446	174
1	52--43	3	1537-0	1		2571	2388	183
1	52--44	3	1511-0	33				
1	52--46	3	1111-0	2	8	2402	2142	260
1	52--47	3	0569-0	1		2130	1929	201
1	52--48	3	1635-9	31				
1	52--61	3	1837-0	2	8	2968	2676	292
1	52--62	3	1235-0	33				
1	52--63	3	1235-0	33				
1	52--65	3	0769-0	1		2177	1963	214
1	52--66	3	0727-0	1		2095	1791	304
1	52--68	3	1619-0	33				
1	52--69	3	1111-0	33				
1	52--70	3	0769-0	1		2309	2084	225
1	52--71	3	0867-0	33				
1	52--73	3	1835-0	1		3620	3432	188
1	52--74	3	1837-0	33				
1	52--75	3	0727-0	2	8	2247	2009	238
1	52--79	3	0769-0	2	8	2251	2050	201
1	52--80	3	1839-0	1		2895	2713	182
1	52--81	3	1837-0	1		2834	2668	166
1	53--03	3	0769-0	1		2400	2070	330
1	53--05	3	0527-0	2	8	2086	1832	254

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - BIGGS

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	53--06	3	1645-0	1		2855	2754	101
1	53--07	3	1835-0	2	8	3523	3267	256
1	53--08	3	1119-0	1		2360	2107	253
1	53--09	3	0867-0	1		3931	3660	271
1	53--10	3	0727-0	2	8	2213	1936	277
1	53--11	3	1219-0	2	8	2586	2317	269
1	53--12	3	1837-0	1		2824	2506	318
1	53--13	3	0769-0	2	8	2257	2014	243
1	53--14	3	1619-0	1		2682	2412	270
1	53--15	3	1839-0	1		2942	2700	242
1	53--17	3	0769-0	1		2286	2078	208
1	53--18	3	1839-0	33				
1	53--19	3	1737-0	1		2648	2437	211
1	53--20	3	1611-0	1		2579	2304	275
1	53--21	3	0727-0	33				
1	53--22	3	0769-0	2	8	2270	2092	178
1	53--23	3	1635-0	2	8	2823	2605	218
1	53--24	3	1839-0	2	8	2851	2586	265
1	53--25	3	1835-0	2	8	3033	2768	265
1	53--26	3	1121-0	33				
1	53--27	3	1867-9	31				
1	53--35	3	1611-0	33				
1	53--36	3	1511-0	1		2263	2033	230
1	53--39	3	0769-0	1		2303	2086	217
1	53--40	3	0769-0	1		2332	2076	256
1	53--41	3	1837-0	1		2856	2625	231
1	53--42	3	1819-0	1		3465	3150	315
1	53--43	3	1839-0	1		2933	2728	205
1	53--48	3	1135-0	1		2691	2438	253
1	53--49	3	1839-0	1		2878	2662	216
1	53--51	3	1839-0	2	8	2860	2612	248
1	53--52	3	1839-0	1		2933	2728	205
1	53--53	3	1839-0	1		2933	2728	205

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	53--63	3	1645-0	1		3038	2833	205
1	53--64	3	0769-0	1		2319	2062	257
1	53--65	3	0769-0	1		2370	2036	334
1	53--66	3	1867-0	1		3200	2818	382
1	53--68	3	1837-0	33				
1	53--69	3	1819-0	1		2629	2304	325
1	53--70	3	1835-0	1		3355	3095	260
1	53--74	3	1111-0	1		2528	2123	405
1	53--75	3	0769-0	1		2281	2078	203
1	53--76	3	0769-0	1		2123	1963	160
1	53--77	3	1619-0	1		2594	2422	172
1	53--80	3	1837-0	2	8	2834	2601	233
1	53--89	3	1215-0	1		2878	2541	337
1	53--94	3	1837-0	1		2799	2509	290
1	53--95	3	1111-0	2	8	2375	2172	203
1	53--97	3	0727-0	1		2292	2041	251
1	53--98	3	1235-0	2	8	2803	2593	210
1	53--99	3	1635-0	1		3313	2851	462
1	54--00	3	0727-0	1		2252	2050	202
1	54--01	3	0727-0	2	8	2042	1791	251
1	54--02	3	0727-0	1		2382	2057	325
1	54--03	3	0727-0	33				
1	54--04	3	1219-0	33				
1	54--05	3	1135-0	2	8	2524	2310	214
1	54--08	3	1839-0	1		2929	2661	268
1	54--12	3	1837-0	1		2837	2625	212
1	54--13	3	0769-0	2	8	2317	2070	247
1	54--14	3	1837-0	2	8	2749	2552	197
1	54--15	3	1535-0	2	8	2776	2526	250
1	54--16	3	0727-0	2	8	2374	2048	326
1	54--17	3	1119-0	1		2343	2168	175
1	54--18	3	1635-0	2	8	2942	2720	222
1	54--21	3	0527-0	1		2161	1905	256

SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	54--22	3	0727-0	1		2161	1930	231
1	54--30	3	1837-0	1		2967	2724	243
1	54--31	3	1611-0	33				
1	54--32	3	1115-0	33				
1	54--34	3	1119-0	2	8	2237	2024	213
1	54--36	3	1837-0	2	8	2763	2530	233
1	54--37	3	1737-0	1		2652	2390	262
1	54--38	3	1867-0	1		3004	2744	260
1	54--39	3	1839-0	1		3012	2715	297
1	54--41	3	0727-0	1		2241	2049	192
1	54--42	3	1837-0	2	8	2718	2504	214
1	54--44	3	1111-0	33				
1	54--45	3	0867-0	1		3729	3515	214
1	54--46	3	1635-9	31				
1	54--47	3	1639-9	31				
1	54--48	3	1839-0	2	8	2964	2722	242
1	54--49	3	1837-0	2	8	2841	2626	215
1	54--50	3	1867-0	1		3056	2799	257
1	54--51	3	1837-0	2	8	2791	2578	213
1	54--52	3	1511-0	2	8	2413	2188	225
1	54--53	3	1837-0	1		2765	2669	96
1	54--54	3	1867-0	1		3134	2883	251
1	54--55	3	1839-0	1		2921	2583	338
1	54--63	3	0727-0	2	8	2127	1930	197
1	54--66	3	1645-0	2	8	2995	2775	220
1	54--76	3	0727-0	2	8	2251	2051	200
1	54--77	3	0727-0	1		2250	2049	201
1	54--78	3	0727-0	1		2250	2049	201
1	54--79	3	0727-0	1		2250	2049	201
1	54--80	3	1635-0	1		3027	2763	264
1	54--83	3	1867-0	1	8	2968	2754	214
1	54--85	3	1135-0	2	8	2679	2461	218
1	54--87	3	1837-0	1		2913	2670	243

890

54--87
1837-0

1837-0

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	54--98	4	1121-0	33		2635	2368	267
1	54--99	4	1611-0	1				
1	55--00	4	1837-0	33				
1	55--01	4	0727-0	1	8	2175	1891	284
1	55--02	4	0769-0	2		2297	2092	205
1	55--03	4	1839-0	1		2889	2667	222
1	55--04	4	1637-0	33				
1	55--05	4	1111-0	1		2164	1941	223
1	55--06	4	1739-0	1		2569	2392	177
1	55--07	4	1837-0	2	8	2829	2609	220
1	55--09	4	1839-0	1		3412	3208	204
1	55--10	4	1839-0	1		3381	3180	201
1	55--11	4	0769-0	1		2156	1937	219
1	55--12	4	0769-0	1		2343	2078	265
1	55--13	4	1211-0	1		2495	2325	170
1	55--14	4	1511-0	1		2471	2260	211
1	55--15	4	1611-0	33				
1	55--16	4	1837-0	33				
1	55--17	4	0727-0	1		2225	2056	169
1	55--18	4	1611-0	33				
1	55--19	4	1645-0	2	8	3177	2949	228
1	55--20	4	1867-0	2	8	3314	3101	213
1	55--21	4	1837-0	33				
1	55--23	4	1519-0	1		2240	2086	154
1	55--24	4	0569-0	1		2138	1987	151
1	55--25	4	1611-0	33				
1	55--26	4	1837-0	1		2888	2699	189
1	55--28	4	1619-0	1		2480	2326	154
1	55--29	4	1111-0	2	8	2166	1963	203
1	55--30	4	1837-0	1		2860	2562	298
1	55--31	4	1837-0	1		2825	2577	248
1	55--32	4	1611-0	33				
1	55--33	4	0867-0	2	8	3884	3538	346

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	55--34	4	1511-0	1		2453	2218	235
1	55--35	4	1835-0	1		3374	2996	378
1	55--36	4	0867-0	1		3789	3518	271
1	55--37	4	0867-0	1		3617	3417	200
1	55--38	4	1837-0	2	8	2823	2609	214
1	55--39	4	1119-0	2	8	2389	2128	261
1	55--40	4	0727-0	1		2046	1849	197
1	55--41	4	1839-0	2	8	2945	2719	226
1	55--42	4	1235-0	2	8	2947	2739	208
1	55--43	4	1837-0	1		2737	2448	289
1	55--44	4	1837-0	1		3003	2888	115
1	55--45	4	1839-0	1		2937	2648	289
1	55--58	4	1645-0	33				
1	55--59	4	1635-0	33				
1	55--61	4	1819-9	31				
1	55--77	4	1611-0	33				
1	55--78	4	1611-0	33				
1	55--87	4	1835-0	2	8	3525	3265	260
1	55--88	4	1839-0	2	8	2874	2632	242
1	55--89	4	1837-0	1		2697	2498	199
1	55--90	4	0727-0	2	8	2241	2032	209
1	55--92	4	1867-0	1		3100	2742	358
1	55--93	4	0727-0	1		2250	2049	201
1	55--94	4	1837-0	1		2848	2571	277
1	55--95	4	1235-9	31				
1	55--96	4	1511-0	1		2304	2102	202
1	55--97	4	1635-0	1		2961	2756	205
1	55--99	4	0867-0	2	8	4243	3919	324
1	56--07	4	0769-0	2	8	2280	2069	211
1	56--08	4	1837-0	1		2712	2474	238
1	56--09	4	1837-0	1		2885	2613	272
1	56--16	4	0549-0	2	8	2211	2003	208
1	56--17	4	1111-0	2	8	2210	2021	189

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	56--18	4	0727-0	2	8	2219	2016	203
1	56--21	4	1635-9	31				
1	56--23	4	1119-0	1				
1	56--26	4	1539-0	2	8	2388	2157	231
1	56--27	4	1535-0	33		2613	2390	223
1	56--28	4	1111-0	1				
1	56--40	4	1511-0	1		2510	2102	408
1	56--41	4	1519-0	33		2462	2269	193
1	56--42	4	1619-0	1				
1	56--44	4	0727-0	33		2651	2408	243
1	56--46	4	1839-0	33				
1	56--49	4	1837-0	1				
1	56--51	4	1135-0	1		3221	3007	214
1	56--52	4	1835-0	2	8	2452	2235	217
1	56--64	4	0867-0	2	8	3151	2925	226
1	56--65	4	1111-0	33		3975	3676	299
1	56--66	4	1119-0	33				
1	56--67	4	1837-0	1				
1	56--72	4	1867-0	2	8	3270	2910	360
1	56--73	4	0727-0	1		2754	2553	201
1	56--74	4	1511-0	1		2260	2057	203
1	56--75	4	1645-0	1		2457	2218	239
1	56--77	4	1839-0	1		3014	2816	198
1	56--78	4	1839-0	33		2834	2601	233
1	56--79	4	1839-0	2				
1	56--80	4	1215-0	1	8	2861	2646	215
1	56--81	4	1619-0	1		2576	2379	197
1	56--89	4	1635-0	1		2598	2394	204
1	56--90	4	0727-0	1		2958	2720	238
1	56--92	4	1837-0	1		2228	2018	210
1	56--93	4	1111-0	1		2948	2634	314
1	56--97	4	0727-0	2	8	2210	1955	255
1	56--98	4	0769-0	2	8	2235	2024	211
						2282	2078	204

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	57--03	4	0769-0	2	8	2283	2067	216
1	57--04	4	0727-0	2	8	2246	2038	208
1	57--10	5	0727-0	1		2250	2049	201
1	57--11	5	1837-0	1		2927	2713	214
1	57--12	5	1837-0	1		2765	2564	201
1	57--13	5	1837-0	33				
1	57--14	5	1111-0	1		2156	1956	200
1	57--15	5	0867-0	1		3757	3575	182
1	57--16	5	1839-0	2	8	2893	2657	236
1	57--19	5	1619-0	33				
1	57--20	5	1837-0	1		2857	2611	246
1	57--29	5	0727-0	1		2200	1989	211
1	57--32	5	1121-0	1		2171	1888	283
1	57--34	5	0727-0	33				
1	57--35	5	0727-0	1		2280	2054	226
1	57--36	5	1867-0	1	8	3324	3090	234
1	57--38	5	0769-0	2	8	2295	2092	203
1	57--39	5	1867-0	1		3060	2810	250
1	57--46	5	0769-0	2	8	2144	1926	218
1	57--47	5	1737-0	2	8	2656	2441	215
1	57--48	5	0727-0	1		2108	1929	179
1	57--50	5	1635-9	31				
1	57--51	5	0769-0	2	8	2247	2062	185
1	57--52	5	0769-0	2	8	2264	2076	188
1	57--65	5	1235-0	1		2962	2687	275
1	57--66	5	1135-9	31				
1	57--67	5	1837-0	1		2804	2625	179
1	57--81	5	1211-0	1		2445	2269	176
1	57--82	5	0727-0	1		2227	2009	218
1	57--84	5	1111-0	33				
1	57--85	5	0867-0	1		4030	3502	528
1	57--86	5	0867-0	1		4489	3497	992
1	57--86	5	1511-0	1		2210	2217	103

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET		DEALER INVOICE	MARKUP
						SELLING PRICE TO CUSTOMER	PRICE TO CUSTOMER		
1	58--77	5	1619-9	31					
1	58--80	5	0727-0	1				2032	121
1	58--81	5	1111-0	33			2153		
1	58--83	5	1111-0	2	8			2020	182
1	58--84	5	1867-0	2	8		3200	2974	226
1	58--97	5	1111-0	33					
1	58--98	5	1111-0	1			2462	2194	268
1	58--99	6	1839-0	2	8		2621	2408	213
1	59--00	6	0769-0	1			2253	2070	183
1	59--01	6	0769-0	1			2451	2129	322
1	59--02	6	0769-0	2	8		2290	2086	204
1	59--03	6	1839-0	1			2976	2765	211
1	59--04	6	1639-9	31					
1	59--05	6	0927-0	1			2467	2168	299
1	59--06	6	0727-0	2	8		2107	1905	202
1	59--07	6	1837-0	1			2842	2588	254
1	59--09	6	1737-0	1			2821	2520	301
1	59--16	6	0769-0	1			2359	2073	286
1	59--17	6	1737-0	2	8		2705	2485	220
1	59--18	6	1867-0	1			3157	2827	330
1	59--19	6	0769-0	1			2272	2071	201
1	59--20	6	1639-0	1			2433	2220	213
1	59--21	6	1839-0	1			3035	2853	182
1	59--22	6	1739-0	1			2386	2185	201
1	59--26	6	1235-0	1			2591	2390	201
1	59--27	6	1211-0	1			2271	2038	233
1	59--28	6	1837-0	2	8		2825	2609	216
1	59--34	6	1837-0	1			2620	2440	180
1	59--36	6	0769-0	1			2202	1951	251
1	59--37	6	1839-0	1			2942	2741	201
1	59--38	6	1837-0	1			2714	2475	239
1	59--40	6	1737-0	2	8		2425	2209	216
1	59--41	6	1837-0	2			2605	2413	186

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NET

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	59--42	6	1837-0	1		2839	2661	178
1	59--43	6	1135-0	1		2584	2422	162
1	59--45	6	1839-0	33				
1	59--61	6	0527-0	1	8	2163	1956	207
1	59--62	6	1839-0	2		2861	2641	220
1	59--63	6	0927-0	1		2600	2185	415
1	59--64	6	1519-0	1		2329	2118	211
1	59--72	6	0927-0	1		2524	2179	345
1	59--73	6	0727-0	2	8	2055	1863	192
1	59--74	6	1867-0	1		3001	2823	178
1	59--77	6	1737-0	2	8	2443	2271	172
1	59--78	6	1837-0	1		2911	2668	243
1	59--82	6	0727-0	1		2043	1905	138
1	59--83	6	1111-0	2	8	2322	2099	223
1	59--87	6	1839-0	2	8	2847	2633	214
1	59--88	6	1839-0	1		2887	2672	215
1	59--89	6	1211-0	1		2450	2320	130
1	59--90	6	0769-0	1		2318	2067	251
1	59--91	6	1645-0	1		3079	2807	272
1	59--93	6	0927-0	1		2430	2056	374
1	59--94	6	1111-0	33				
1	59--95	6	1737-0	2	8	2541	2335	206
1	59--97	6	1535-0	1		2718	2489	229
1	59--98	6	1635-0	1		3468	3032	436
1	60--10	6	1867-0	1		3075	2814	261
1	60--11	6	1839-0	33				
1	60--14	6	0927-0	1		2491	2187	304
1	60--21	6	1737-0	1		2773	2573	200
1	60--23	6	1111-0	2	8	2332	2130	202
1	60--24	6	1519-0	1		2497	2288	209
1	60--31	6	1837-0	1		3140	2839	301
1	60--33	6	1635-0	1		2947	2773	174
1	60--34	6	1219-0	33				

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	60--35	6	1619-0	33		2913	2753	160
1	60--42	6	1839-0	1				
1	60--47	6	0727-0	33				
1	60--48	6	0727-0	1		2230	1921	309
1	60--49	6	1867-0	1		3091	2839	252
1	60--50	6	1645-0	1		3462	3209	253
1	60--52	6	1837-0	1		2707	2580	127
1	60--55	6	1645-0	2	8	3120	2905	215
1	60--56	6	1837-0	1		2764	2533	231
1	60--57	6	1837-0	1		2798	2546	252
1	60--58	6	0727-0	33				
1	60--59	6	1211-0	1		2700	2379	321
1	60--64	6	1619-0	33				
1	60--67	6	1211-0	1		2533	2306	227
1	60--69	6	1837-0	1		2961	2609	352
1	60--70	6	1837-0	2	8	2821	2609	212
1	60--71	6	1211-0	2	8	2277	2063	214
1	60--72	6	0927-0	1		2376	2085	291
1	60--73	6	1119-0	1		2238	2094	144
1	60--74	6	0727-0	33				
1	60--75	6	1635-0	1		3000	2787	213
1	60--80	6	1545-0	1		2634	2384	250
1	60--81	6	0727-0	1		2190	2032	158
1	60--82	6	1645-0	33				
1	60--83	6	1867-0	1		2986	2810	176
1	60--86	6	1119-0	1		2357	2201	156
1	60--87	6	1111-0	1		2335	2102	233
1	60--88	6	1635-0	1		2940	2752	188
1	60--90	6	0769-0	1		2329	2065	264
1	60--91	6	1839-0	1		2883	2634	249
1	60--92	6	1111-0	1		2168	1953	215
1	60--94	6	0769-0	1		2151	1937	214
1	60--95	6	1135-0	2	8	2679	2440	231

898

NET

21-05 1135-0 6 2275 2448 231

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	61--06	6	1837-0	2	8	2862	2657	205
1	61--07	6	1839-0	2	8	3038	2817	221
1	61--08	6	1119-0	1		2390	2218	172
1	61--09	6	0727-0	1		2130	1959	171
1	61--10	6	0927-0	1		2399	2104	295
1	61--11	6	1111-0	1		2300	2068	232
1	61--12	6	1537-0	2	8	2454	2248	206
1	61--13	6	1111-0	1		2255	2105	150
1	61--20	7	0727-0	1		2240	2058	182
1	61--21	7	1111-0	33				
1	61--22	7	1535-0	2	8	2809	2595	214
1	61--23	7	0727-0	1		2293	2049	244
1	61--24	7	1837-0	1		2874	2679	195
1	61--25	7	1839-0	2	8	2911	2676	235
1	61--26	7	1839-0	1		2869	2672	197
1	61--27	7	1837-0	1		2860	2592	268
1	61--28	7	0867-0	2	8	3973	3655	318
1	61--29	7	1837-0	1		2901	2628	273
1	61--30	7	1111-0	1		2314	2119	195
1	61--40	7	1837-0	1		2962	2752	210
1	61--41	7	1839-0	1		2897	2661	236
1	61--44	7	1619-0	33				
1	61--45	7	1837-0	2	8	2742	2529	213
1	61--46	7	1111-0	1		2154	1953	201
1	61--47	7	1111-0	33				
1	61--53	7	1837-0	2	8	2818	2603	215
1	61--55	7	1837-0	1		2860	2590	270
1	61--57	7	0769-0	1		2178	2034	144
1	61--58	7	1635-0	2	8	2969	2829	140
1	61--59	7	1837-0	2	8	2789	2577	212
1	61--60	7	1211-0	1		2325	2193	132
1	61--61	7	0927-0	1		2448	2084	364
1	61--63	7	0927-0	1		2524	2171	353

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	61--64	7	1739-0	1		2640	2489	151
1	61--65	7	1835-0	1		3590	3460	130.
1	61--82	7	1839-0	2	8	2857	2641	216
1	61--83	7	1739-0	1		2752	2551	201
1	61--84	7	1837-0	1		2785	2554	231
1	61--85	7	0769-0	1		2143	1955	188
1	61--86	7	0727-0	2	8	2260	2057	203
1	61--87	7	0867-0	1		3645	3380	265
1	61--88	7	1635-0	1		3149	2861	268
1	61--95	7	0927-0	1		2443	2066	377
1	61--96	7	1619-0	1		2591	2409	182
1	61--97	7	1839-0	2	8	2848	2646	202
1	61--98	7	0727-0	1		2311	2041	270
1	61--99	7	1837-0	2	8	2818	2625	193
1	62--01	7	1619-0	1		2683	2497	186
1	62--04	7	1839-0	2	8	2843	2627	216
1	62--08	7	1837-0	2	8	2805	2625	180
1	62--09	7	1111-0	33				
1	62--10	7	1135-0	2	8	2489	2274	215
1	62--11	7	1511-0	2	8	2256	2047	209
1	62--13	7	1837-0	1		3325	3065	260
1	62--14	7	0769-0	1		2168	2013	155
1	62--15	7	0927-0	33				
1	62--16	7	0527-0	1		2256	1956	300
1	62--17	7	1235-0	1		2612	2485	127
1	62--28	7	1119-0	1		2136	1916	220
1	62--29	7	1739-0	1		2635	2411	224
1	62--31	7	1611-0	1		2779	2461	318
1	62--44	7	1135-0	2	8	2608	2396	212
1	62--45	7	1111-0	33				
1	62--46	7	1635-0	2	8	3150	2938	212
1	62--47	7	1737-0	3		2659	2441	216
1	62--48	7	1111-0	3				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	62--49	7	1635-0	2	8	2990	2773	217
1	62--51	7	1837-0	2	8	2830	2612	218
1	62--52	7	1837-0	1		2890	2664	226
1	62--53	7	1511-0	1		2548	2293	255
1	62--54	7	1739-0	2	8	2539	2326	213
1	62--62	7	1535-0	33				
1	62--64	7	1111-0	33				
1	62--65	7	1635-0	1		2899	2701	198
1	62--66	7	1837-0	1		3001	2685	316
1	62--67	7	1837-0	1		2739	2589	150
1	62--68	7	1837-0	1	8	2806	2596	210
1	62--70	7	1837-0	2		3236	3024	212
1	62--72	7	1867-0	1	8	2786	2565	221
1	62--73	7	1819-0	2		2896	2664	232
1	62--74	7	1839-0	1		2326	2115	211
1	62--75	7	1119-0	1		4461	3671	790
1	62--86	7	0867-0	1		2859	2609	250
1	62--87	7	1837-0	1		3802	3385	417
1	62--97	7	0867-0	1		3050	2926	124
1	62--99	7	1645-0	1	8	3015	2796	219
1	63--00	7	1135-0	2				
1	63--01	7	0927-0	33		2504	2087	417
1	63--02	7	1635-0	1		2907	2741	166
1	63--07	8	1637-0	1		2772	2593	179
1	63--08	8	1135-0	1		2496	2339	157
1	63--09	8	1135-0	33				
1	63--10	8	1839-0	2				
1	63--11	8	1835-0	1	8	2849	2636	213
1	63--14	8	0727-0	1		3139	2941	198
1	63--15	8	0927-0	33		2181	2051	130
1	63--16	8	1635-0	2	8	2933	2723	210
1	63--21	8	1135-0	33				
1	63--22	8	1111-0	2	8	2337	2102	235

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	63--23	8	0769-0	1		2392	2077	315
1	63--24	8	1111-0	33				
1	63--25	8	1837-0	1		2857	2608	249
1	63--26	8	1619-0	2	8	2531	2329	202
1	63--27	8	1839-0	1		3018	2666	352
1	63--28	8	0527-0	2	8	2161	1967	194
1	63--30	8	1839-0	1		2833	2676	157
1	63--31	8	1215-0	1		2805	2594	211
1	63--34	8	1837-0	1		2892	2726	166
1	63--45	8	0927-0	1		2574	2083	491
1	63--46	8	0727-0	2	8	2220	2034	186
1	63--47	8	1837-0	1		3229	2864	365
1	63--50	8	0769-0	1		2361	2070	291
1	63--51	8	1837-0	1		2714	2546	168
1	63--53	8	1837-0	2	8	2758	2521	237
1	63--54	8	0927-0	1		2586	2183	403
1	63--55	8	1839-0	1		2801	2627	174
1	63--62	8	0727-0	2	8	2229	2019	210
1	63--68	8	1837-0	1		2786	2609	177
1	63--69	8	0867-0	1		3713	3502	211
1	63--70	8	0769-0	1		2119	1935	184
1	63--71	8	1739-0	2	8	2725	2501	224
1	63--72	8	1839-0	1		2859	2675	184
1	63--74	8	0927-0	1		2509	2076	433
1	63--76	8	0769-0	1		2221	2037	184
1	63--80	8	1111-0	33				
1	63--81	8	0727-0	1		2211	2004	207
1	63--82	8	1135-0	2	8	2713	2472	241
1	63--83	8	1111-0	1		2328	2065	263
1	63--88	8	1837-0	2	8	2850	2632	218
1	63--89	8	1839-0	1		2861	2641	240
1	63--90	8	1839-0	1		2919	2681	240
1	63--91	8	1839-0	1		2919	2681	240
1	63--92	8	1839-0	1		2919	2681	240
1	63--93	8	1839-0	1		2919	2681	240
1	63--94	8	1839-0	1		2919	2681	240
1	63--95	8	1839-0	1		2919	2681	240
1	63--96	8	1839-0	1		2919	2681	240
1	63--97	8	1839-0	1		2919	2681	240
1	63--98	8	1839-0	1		2919	2681	240
1	63--99	8	1839-0	1		2919	2681	240
1	63--100	8	1839-0	1		2919	2681	240

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	64--52	8	1511-0	2	8	2428	2210	218
1	64--55	8	1867-0	2	8	2880	2655	225
1	64--56	8	1839-0	1		3144	2741	403
1	64--57	8	0769-0	2	8	2254	2060	194
1	64--58	8	0727-0	1		2155	1966	189
1	64--59	8	0727-0	1		2135	1919	216
1	64--80	9	0569-0	1		2119	2003	116
1	64--81	9	0769-0	1		2318	2019	299
1	64--82	9	0769-0	2	8	2331	2116	215
1	64--83	9	1635-0	1		2900	2734	166
1	64--84	9	0727-0	1		2188	2024	164
1	64--85	9	1235-0	2	8	2766	2562	204
1	64--86	9	0769-0	1		2278	2045	233
1	64--87	9	1135-0	2		2542	2328	214
1	64--88	9	0727-0	1	8	2227	2026	201
1	64--89	9	0769-0	1		2200	2072	128
1	64--90	9	1835-0	1		3465	3321	144
1	64--91	9	1111-0	1		2250	2099	151
1	64--92	9	0769-0	1		2364	2044	320
1	64--93	9	1111-0	1		2250	2126	124
1	64--94	9	0769-0	1		2227	2064	163
1	64--98	9	1111-0	1		2285	2119	166
1	64--99	9	1619-0	1		2563	2430	133
1	65--00	9	0769-0	1		2300	2092	208
1	65--01	9	1837-0	1		2912	2675	237
1	65--02	9	1119-0	1		2225	2062	163
1	65--03	9	1111-0	1		2189	1986	203
1	65--04	9	1837-0	2	8	2857	2638	219
1	65--05	9	0727-0	2		2208	2020	188
1	65--06	9	1119-0	1		2170	1955	215
1	65--07	9	1867-0	1		3022	2840	192
1	65--08	9	0727-0	1		2750	2600	105
1	65--09	9	0727-0	1		2750	1958	221

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DEALER NO.	INVOICE NO.	MONTH AND YEAR	MODEL NO.	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	65-11	9 0727-0	0727-0	1		2268	2049	219
1	65-12	9 0569-0	0569-0	1		2304	2037	267
1	65-13	9 0527-0	0527-0	1		2108	1956	152
1	65-14	9 0867-0	0867-0	2	8	3712	3416	296
1	65-16	9 1837-0	1837-0	1		2848	2688	160
1	65-17	9 1839-0	1839-0	1		2861	2700	161
1	65-18	9 1837-0	1837-0	1		2779	2603	176
1	65-19	9 1219-0	1219-0	33				
1	65-20	9 1637-0	1637-0	1		2650	2451	199
1	65-21	9 1511-0	1511-0	1		2575	2288	287
1	65-37	9 1837-0	1837-0	1		2788	2577	211
1	65-38	9 1511-0	1511-0	2	8	2442	2218	224
1	65-39	9 0867-0	0867-0	1		3500	3303	197
1	65-40	9 1111-0	1111-0	1		2476	2201	275
1	65-41	9 0727-0	0727-0	1		2265	2057	208
1	65-42	9 1111-0	1111-0	1		2249	2073	176
1	65-43	9 1519-0	1519-0	1		2255	2099	156
1	65-44	9 1535-0	1535-0	1		2805	2651	154
1	65-45	9 0769-0	0769-0	1		2200	2076	124
1	65-46	9 1837-0	1837-0	1		2732	2585	147
1	65-47	9 1611-0	1611-0	1		2593	2377	216
1	65-48	9 1111-0	1111-0	1		2065	1914	151
1	65-49	9 1635-0	1635-0	1		2949	2685	264
1	65-50	9 1867-0	1867-0	2	8	3008	2805	203
1	65-51	9 1519-0	1519-0	1		2400	2249	151
1	65-52	9 1511-0	1511-0	1		2401	2168	233
1	65-53	9 0727-0	0727-0	1		2275	2018	257
1	65-54	9 0769-0	0769-0	1		2168	1962	206
1	65-55	9 1837-0	1837-0	1		2669	2545	124
1	65-56	9 0769-0	0769-0	1		2200	2006	194
1	65-57	9 0769-0	0769-0	1		2125	1880	245
1	65-58	9 0527-0	0527-0	1		1939	1774	165
1	65-59	9 1135-0	1135-0	1		2625	2468	157

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	65--91	9	0727-0	1		2217	2018	199
1	65--93	9	1211-0	33				
1	65--98	9	1519-0	1		2420	2244	176
1	66--00	9	0769-0	1		2204	2070	134
1	66--01	9	1837-0	1		2754	2582	172
1	66--02	9	0769-0	32				
1	66--03	9	1111-0	32				
1	66--09	9	1839-0	1		2737	2614	123
1	66--10	9	0769-0	1		2278	2056	222
1	66--11	9	1837-0	1		2755	2609	146
1	66--16	9	1135-0	33				
1	66--17	9	1839-0	1		2839	2627	212
1	66--18	9	1839-0	1		2861	2590	271
1	66--19	9	1635-0	1		2879	2729	150
1	66--20	9	1111-0	1		2260	2213	47
1	66--21	9	1611-0	1		2645	2434	211
1	66--22	9	0867-0	1		3734	3482	252
1	66--23	9	1837-0	1		2790	2629	161
1	66--25	9	0727-0	1		2067	1892	175
1	66--41	9	0769-0	1		2350	1937	413
1	66--42	9	0769-0	1		2226	2054	172
1	66--44	10	1839-0	2	8	2853	2661	192
1	66--46	10	1837-0	1		2811	2609	202
1	66--47	10	1619-0	1		2700	2484	216
1	66--48	10	1119-0	1		2182	2019	163
1	66--66	10	0927-1	2	8	2559	2183	376
1	66--67	10	1169-1	2	8	2292	2028	264
1	66--68	10	1837-0	31				
1	66--69	10	0867-0	31				
1	66--70	10	0727-1	31				
1	66--71	10	1119-0	31				
1	66--72	10	1619-0	31				
1	66--73	10	1619-0	31				
1	66--74	10	1619-0	31				
1	66--75	10	1619-0	31				
1	66--76	10	1619-0	31				
1	66--77	10	1619-0	31				
1	66--78	10	1619-0	31				
1	66--79	10	1619-0	31				
1	66--80	10	1619-0	31				
1	66--81	10	1619-0	31				
1	66--82	10	1619-0	31				
1	66--83	10	1619-0	31				
1	66--84	10	1619-0	31				
1	66--85	10	1619-0	31				
1	66--86	10	1619-0	31				
1	66--87	10	1619-0	31				
1	66--88	10	1619-0	31				
1	66--89	10	1619-0	31				
1	66--90	10	1619-0	31				
1	66--91	10	1619-0	31				
1	66--92	10	1619-0	31				
1	66--93	10	1619-0	31				
1	66--94	10	1619-0	31				
1	66--95	10	1619-0	31				
1	66--96	10	1619-0	31				
1	66--97	10	1619-0	31				
1	66--98	10	1619-0	31				
1	66--99	10	1619-0	31				
1	66--100	10	1619-0	31				
1	66--101	10	1619-0	31				
1	66--102	10	1619-0	31				
1	66--103	10	1619-0	31				
1	66--104	10	1619-0	31				
1	66--105	10	1619-0	31				
1	66--106	10	1619-0	31				
1	66--107	10	1619-0	31				
1	66--108	10	1619-0	31				
1	66--109	10	1619-0	31				
1	66--110	10	1619-0	31				
1	66--111	10	1619-0	31				
1	66--112	10	1619-0	31				
1	66--113	10	1619-0	31				
1	66--114	10	1619-0	31				
1	66--115	10	1619-0	31				
1	66--116	10	1619-0	31				
1	66--117	10	1619-0	31				
1	66--118	10	1619-0	31				
1	66--119	10	1619-0	31				
1	66--120	10	1619-0	31				
1	66--121	10	1619-0	31				
1	66--122	10	1619-0	31				
1	66--123	10	1619-0	31				
1	66--124	10	1619-0	31				
1	66--125	10	1619-0	31				
1	66--126	10	1619-0	31				
1	66--127	10	1619-0	31				
1	66--128	10	1619-0	31				
1	66--129	10	1619-0	31				
1	66--130	10	1619-0	31				
1	66--131	10	1619-0	31				
1	66--132	10	1619-0	31				
1	66--133	10	1619-0	31				
1	66--134	10	1619-0	31				
1	66--135	10	1619-0	31				
1	66--136	10	1619-0	31				
1	66--137	10	1619-0	31				
1	66--138	10	1619-0	31				
1	66--139	10	1619-0	31				
1	66--140	10	1619-0	31				
1	66--141	10	1619-0	31				
1	66--142	10	1619-0	31				
1	66--143	10	1619-0	31				
1	66--144	10	1619-0	31				
1	66--145	10	1619-0	31				
1	66--146	10	1619-0	31				
1	66--147	10	1619-0	31				
1	66--148	10	1619-0	31				
1	66--149	10	1619-0	31				
1	66--150	10	1619-0	31				
1	66--151	10	1619-0	31				
1	66--152	10	1619-0	31				
1	66--153	10	1619-0	31				
1	66--154	10	1619-0	31				
1	66--155	10	1619-0	31				
1	66--156	10	1619-0	31				
1	66--157	10	1619-0	31				
1	66--158	10	1619-0	31				
1	66--159	10	1619-0	31				
1	66--160	10	1619-0	31				
1	66--161	10	1619-0	31				
1	66--162	10	1619-0	31				
1	66--163	10	1619-0	31				
1	66--164	10	1619-0	31				
1	66--165	10	1619-0	31				
1	66--166	10	1619-0	31				
1	66--167	10	1619-0	31				
1	66--168	10	1619-0	31				
1	66--169	10	1619-0	31				
1	66--170	10	1619-0	31				
1	66--171	10	1619-0	31				
1	66--172	10	1619-0	31				
1	66--173	10	1619-0	31				
1	66--174	10	1619-0	31				
1	66--175	10	1619-0	31				
1	66--176	10	1619-0	31				
1	66--177	10	1619-0	31				
1	66--178	10	1619-0	31				
1	66--179	10	1619-0	31				
1	66--180	10	1619-0	31				
1	66--181	10	1619-0	31				
1	66--182	10	1619-0	31				
1	66--183	10	1619-0	31				
1	66--184	10	1619-0	31				
1	66--185	10	1619-0	31				
1	66--186	10	1619-0	31				
1	66--187	10	1619-0	31				
1	66--188	10	1619-0	31				
1	66--189	10	1619-0	31				
1	66--190	10	1619-0	31				
1	66--191	10	1619-0	31				
1	66--192	10	1619-0	31				
1	66--193	10	1619-0	31				
1	66--194	10	1619-0	31				
1	66--195	10	1619-0	31				
1	66--196	10	1619-0	31				
1	66--197	10	1619-0	31				
1	66--198	10	1619-0	31				
1	66--199	10	1619-0	31				
1	66--200	10	1619-0	31				
1	66--201	10	1619-0	31				
1	66--202	10	1619-0	31				
1	66--203	10	1619-0	31				
1	66--204	10	1619-0	31				
1	66--205	10	1619-0	31				
1	66--206	10	1619-0	31				
1	66--207	10	1619-0	31				
1	66--208	10	1619-0	31				
1	66--209	10	1619-0	31				
1	66--210	10	1619-0	31				
1	66--211	10	1619-0	31				
1	66--212	10	1619-0	31				
1	66--213	10	1619-0	31				
1	66--214	10	1619-0	31				
1	66--215	10	1619-0	31				
1	66--216	10	1619-0	31				
1	66--217	10	1619-0	31				
1	66--218	10	1619-0	31				
1	66--219	10	1619-0	31				
1	66--220	10	1619-0	31				
1	66--221	10	1619-0	31				
1	66--222	10	1619-0	31				
1	66--223	10	1619-0	31				
1	66--224	10	1619-0	31				
1	66--225	10	1619-0	31				
1	66--226	10	1619-0					

346

2765

5111

1010-1

1010

20-25

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	66-75	10	0927-1	1		2468	2196	272
1	66-76	10	1837-0	31				
1	66-77	10	0769-0	31				
1	66-78	10	1111-1	1		2576	2199	377
1	66-81	10	1837-1	1		3138	2616	522
1	66-82	10	0927-1	1		2534	2186	348
1	66-83	10	1839-0	31				
1	66-84	10	1111-1	2	8	2321	2068	253
1	66-85	10	1111-1	2	8	2360	2108	252
1	66-86	10	1111-0	31				
1	66-87	10	0727-0	31				
1	66-88	10	1867-0	31				
1	66-90	10	1867-1	1		3243	2830	413
1	66-98	10	1839-1	1		3129	2641	488
1	66-99	10	1837-1	1		2913	2621	292
1	67-12	10	0867-0	31				
1	67-13	10	1837-0	31				
1	67-14	10	1837-0	31				
1	67-15	10	1839-1	1		3010	2650	360
1	67-16	10	1135-1	2	8	2646	2424	222
1	67-23	10	1135-1	2	8	2504	2239	265
1	67-35	10	0569-0	31				
1	67-36	10	1839-0	31				
1	67-37	10	1111-0	31				
1	67-38	10	0927-1	1		2527	2164	363
1	67-39	10	0867-1	1		4207	3675	532
1	67-40	10	0927-1	1		2417	2179	238
1	67-46	10	1611-1	33				
1	67-47	10	1111-0	31				
1	67-48	10	0867-1	2	8	3985	3675	310
1	67-49	10	0927-1	1		2385	2138	247
1	67-50	10	1635-1	2	8	2893	2626	267
1	67-53	10	1837-1	2	8	2876	2612	264

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	67--54	10	1867-1	1		3114	2823	291
1	67--55	10	0927-1	1		2380	2153	227
1	67--56	10	1837-0	31				
1	67--69	10	0727-1	2	8	2152	1902	250
1	67--70	10	1839-1	33				
1	67--75	10	0867-0	31				
1	67--76	10	0769-1	2	8	2331	2071	260
1	67--77	10	1819-0	31				
1	67--78	10	0927-1	33				
1	67--91	10	1669-1	2	8	2680	2430	250
1	67--92	10	1235-1	2	8	2964	2658	306
1	67--93	10	1837-1	2	8	2854	2585	269
1	67--94	10	0927-1	1		2383	2174	209
1	67--95	10	1869-1	2	8	2868	2599	269
1	67--96	10	1635-1	2	8	3019	2755	264
1	67--97	10	1839-1	2	8	3007	2724	283
1	67--98	10	1519-0	31				
1	67--99	10	1635-1	2	8	2970	2706	264
1	68--00	10	1867-1	1		3019	2770	249
1	68--03	10	1635-0	31				
1	68--04	10	1837-1	1		2962	2607	355
1	68--12	10	1111-0	31				
1	68--14	10	0769-1	2	8	2392	2081	311
1	68--17	10	1111-1	33				
1	68--18	10	1235-1	2	8	2773	2536	237
1	68--19	10	1837-1	2	8	3001	2736	265
1	68--20	10	0927-1	1		2704	2193	511
1	68--21	10	0727-1	2	8	2248	2027	221
1	68--22	10	1837-1	2	8	2898	2631	267
1	68--23	10	1111-1	2	8	2436	2128	308
1	68--24	10	1837-1	1		2850	2586	264
1	68--25	10	1837-1	2	8	2942	2661	260
1	68--26	10	1837-1	2		2942	2661	260

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	68--27	10	0927-1	1		2623	2109	514
1	68--28	10	1839-1	1		3029	2136	293
1	68--29	10	1111-1	33				
1	68--30	10	0867-1	1		4011	3713	298
1	68--39	10	0927-1	1		2522	2175	347
1	68--44	10	1111-1	33				
1	68--45	10	1669-1	2	8	2667	2413	254
1	68--46	10	1867-1	1		2893	2612	281
1	68--47	10	1837-1	2	8	2880	2610	270
1	68--48	10	1511-0	31				
1	68--50	10	1619-0	31				
1	68--51	10	1867-0	31				
1	68--53	10	1837-0	31				
1	68--61	10	1845-1	2	8	3320	3062	258
1	68--63	11	0927-1	1		2353	2176	177
1	68--64	11	1269-1	33				
1	68--66	11	1837-1	2	8	2867	2600	267
1	68--67	11	1837-1	1		2959	2596	363
1	68--68	11	1837-1	1		2869	2558	311
1	68--69	11	0867-1	2	8	3767	3459	308
1	68--70	11	0927-1	1		2513	2181	332
1	68--71	11	1837-1	2	8	2885	2645	240
1	68--72	11	1635-0	31				
1	68--87	11	0769-1	2	8	2334	2058	276
1	68--88	11	1111-1	33				
1	68--89	11	1837-1	33				
1	68--90	11	1611-0	31				
1	68--91	11	1635-0	31				
1	68--93	11	0927-1	2	8	2497	2175	322
1	68--94	11	0927-1	1		2474	2196	278
1	68--95	11	0867-1	2	8	3863	3541	322
1	68--96	11	1169-1	33				
1	68--97	11	1837-1	2	8	2976	2717	259

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	68--98	11	1867-1	1		3120	2854	266
1	68--99	11	1169-1	2	8	2491	2228	263
1	69--00	11	1169-1	2	8	2451	2187	264
1	69--01	11	1639-1	2	8	2857	2588	269
1	69--02	11	0769-1	2	8	2370	2102	268
1	69--04	11	1837-1	1		3006	2647	359
1	69--05	11	0927-1	1		2536	2164	372
1	69--06	11	0867-1	2	8	3808	3477	331
1	69--07	11	0927-1	2	8	2536	2151	385
1	69--08	11	1737-1	2	8	2589	2405	184
1	69--09	11	1845-1	2	8	3271	2980	291
1	69--10	11	1211-1	1		2500	2198	302
1	69--11	11	1837-1	2	8	2865	2585	280
1	69--12	11	1837-1	2	8	2959	2686	273
1	69--17	11	1637-0	31		2273	1966	307
1	69--19	11	0727-1	1				
1	69--21	11	1535-1	33				
1	69--22	11	1837-0	31				
1	69--23	11	0927-1	1		2506	2190	316
1	69--24	11	0927-1	1		2463	2192	271
1	69--26	11	0769-1	2	8	2329	2061	268
1	69--27	11	0769-1	1		2277	2048	229
1	69--28	11	1837-1	1		2771	2511	260
1	69--29	11	0927-1	1		2671	2171	500
1	69--30	11	1837-1	1		3042	2740	302
1	69--31	11	0927-1	1		2485	2092	393
1	69--32	11	1837-1	2	8	2883	2634	249
1	69--33	11	1837-1	1		2895	2631	264
1	69--34	11	1837-1	2	8	2879	2624	255
1	69--35	11	1837-1	33				
1	69--36	11	1837-1	2		3227	2941	286
1	69--37	11	1837-1	2		2555	2174	417
1	69--38	11	1837-1	2		2466	2174	315

NET

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	69--39	11	0569-1	2	8	2197	1900	297
1	69--52	11	1669-1	2	8	2652	2395	257
1	69--53	11	1235-1	2	8	2711	2457	254
1	69--54	11	0769-1	2	8	2310	2067	243
1	69--55	11	1835-1	2	8	3191	2922	269
1	69--56	11	1839-1	2	8	2824	2559	265
1	69--57	11	1837-1	1	8	2899	2628	271
1	69--71	11	1837-1	2	8	3061	2767	294
1	69--72	11	0727-1	2	8	2334	2024	310
1	69--73	11	0927-1	1	8	2573	2192	381
1	69--74	11	0769-0	31				
1	69--75	11	1211-0	31				
1	69--82	11	0927-1	1		2467	2200	267
1	69--83	11	1635-1	1		3086	2868	218
1	69--84	11	0927-1	1		2502	2206	296
1	69--85	11	1837-1	1		3188	2734	454
1	69--86	11	0535-1	1		2331	2193	138
1	69--87	11	1635-1	33				
1	69--88	11	1635-0	31				
1	69--89	11	1837-1	1		3100	2629	471
1	69--90	11	1837-1	1		2966	2668	298
1	69--95	11	1869-1	1		2961	2555	406
1	69--96	11	1867-1	1		2985	2744	241
1	69--97	11	0927-1	2	8	2480	2171	309
1	69--98	11	0769-1	2	8	2293	2035	258
1	69--99	11	0569-1	2	8	2061	1809	252
1	70--01	11	0727-0	31				
1	70--02	11	0769-1	1		2365	2074	291
1	70--13	11	0569-1	33				
1	70--14	11	0727-1	8		2229	1986	243
1	70--15	11	1837-1	2	8	3007	2695	312
1	70--17	11	1867-1	2	8	3110	2849	261
1	70--18	11	1837-1	1		2918	2625	293

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	70-19	11	0769-1	2	8	2298	2044	254
1	70-37	11	0927-1	1		2736	2198	538
1	70-38	11	0769-1	2	8	2319	2106	213
1	70-39	11	0735-1	2	8	2520	2267	253
1	70-40	11	0769-1	1		2217	2049	168
1	70-41	11	0927-1	2	8	2634	2166	468
1	70-42	11	0927-1	2	8	2443	2111	332
1	70-43	11	1645-1	33				
1	70-44	11	0769-0	31				
1	70-47	11	0735-1	33				
1	70-49	11	0927-1	1		2529	2150	379
1	70-71	11	1837-1	1		2673	2431	242
1	70-72	11	1837-1	2	8	2963	2684	279
1	70-73	11	1837-1	1		2979	2707	272
1	70-74	11	R1206-1	33				
1	70-75	11	0927-1	1		2473	2014	459
1	70-76	11	1611-1	1		2449	2138	311
1	70-88	11	0867-1	1		3975	3658	317
1	70-89	11	1611-1	33				
1	70-90	11	1867-0	31				
1	70-93	11	0727-1	1		2295	2058	237
1	70-95	11	1837-1	1		2959	2566	393
1	70-96	11	1235-1	2	8	2872	2610	262
1	70-97	11	1111-1	33				
1	70-98	11	1837-0	31				
1	70-99	11	1837-0	31				
1	71-00	11	0727-1	1		2378	2051	327
1	71-01	11	1837-1	2	8	2947	2678	269
1	71-02	11	1111-1	1		2136	1916	220
1	71-03	11	0769-1	2	8	2352	2092	260
1	71-04	11	1111-1	33				
1	71-05	11	1837-1	2	8	2928	2448	280

912

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	71--09	11	0769-0	31				
1	71--11	11	0927-1	2	8	2503	2178	325
1	71--12	11	1867-1	1		3137	2820	317
1	71--13	11	1737-1	1		2563	2200	363
1	71--14	11	0927-1	1		2523	2193	330
1	71--16	11	0735-1	2	8	2596	2337	259
1	71--17	11	0727-1	1		2319	2039	280
1	71--18	11	1635-0	31				
1	71--19	11	1569-1	1				
1	71--20	11	0927-1	2	8	2577	2289	288
1	71--29	11	0769-1	2	8	2473	2158	315
1	71--30	11	0927-1	2		2320	2056	264
1	71--31	11	0927-1	1		2396	2096	300
1	71--32	11	1839-1	2	8	2477	2160	317
1	71--34	11	1669-1	1		3015	2737	278
1	71--35	11	1511-1	33				
1	71--36	11	0769-1	2	8	2545	2277	268
1	71--37	11	1739-1	33				
1	71--38	11	0727-1	1		2693	2536	157
1	71--39	11	1111-1	1		2218	2066	152
1	71--41	11	0769-1	1		2380	2145	235
1	71--42	11	0769-1	33				
1	71--43	11	0769-1	33				
1	71--44	11	0569-1	33				
1	71--45	11	1635-1	33				
1	71--46	12	1669-1	2	8	2958	2753	205
1	71--47	12	0867-1	1		2649	2452	197
1	71--48	12	1269-1	1		3822	3472	350
1	71--49	12	0927-1	33				
1	71--50	12	0867-1	1		2571	2202	369
1	71--51	12	1839-1	2	8	4300	3942	358
1	71--52	12	1635-1	2	8	3018	2755	263
1	71--53	12	0927-1	1		2958	2709	249
1		12		1		2608	2119	489

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	71-54	12	1635-1	2	8	3131	2862	269
1	71-55	12	1535-1	33				
1	71-56	12	1211-1	2	8	2352	2088	264
1	71-57	12	1845-1	1		3053	2852	201
1	71-58	12	0735-1	2	8	2465	2217	248
1	71-59	12	0769-1	2	8	2281	2046	235
1	71-60	12	1845-1	1		3332	3044	288
1	71-62	12	1111-1	33				
1	71-63	12	0927-1	2	8	2409	2094	315
1	71-64	12	1839-1	2	8	2933	2666	267
1	71-65	12	0527-1	33				
1	71-84	12	1611-1	33				
1	71-85	12	0927-1	1		2489	2180	309
1	71-86	12	1839-0	31				
1	71-87	12	1811-1	1		2772	2513	259
1	71-88	12	0927-1	2	8	2408	2068	340
1	71-89	12	0927-1	2	8	2489	2171	318
1	71-90	12	0927-1	1		2477	2204	273
1	71-91	12	1837-0	31				
1	71-93	12	1837-1	1		2761	2504	257
1	71-94	12	1867-1	1		3258	2990	268
1	72-03	12	1669-1	33				
1	72-04	12	1669-1	33				
1	72-05	12	1569-1	33				
1	72-06	12	1111-0	31				
1	72-07	12	0927-1	2	8	2484	2193	291
1	72-08	12	1867-1	1		2900	2847	53
1	72-09	12	1669-1	33				
1	72-11	12	1837-1	1	8	2814	2548	266
1	72-12	12	1169-1	2	8	2460	2201	259
1	72-20	12	0927-1	2		2401	2085	316
1	72-21	12	1635-1	1		2660	2630	230
1	72-22	12	1635-1	1		2660	2670	412

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	72--24	12	0927-1	1		2542	2171	371
1	72--27	12	0535-1	2	8	2272	2028	244
1	72--29	12	0735-1	2	8	2487	2237	250
1	72--30	12	1837-1	2	8	2970	2688	282
1	72--31	12	0527-1	1		2103	1833	270
1	72--32	12	0769-1	1		2325	2014	311
1	72--33	12	0927-1	2	8	2507	2188	319
1	72--34	12	0927-1	1		2526	2190	336
1	72--35	12	0727-1	2	8	2290	2003	287
1	72--36	12	1135-1	2	8	2578	2319	259
1	72--37	12	1669-1	33				
1	72--38	12	1669-1	33				
1	72--40	12	1669-1	2	8	2700	2440	260
1	72--41	12	1669-1	33				
1	72--43	12	1135-1	2	8	2675	2406	269
1	72--44	12	0927-1	1		2410	2123	287
1	72--45	12	1837-1	2	8	2884	2630	254
1	72--46	12	0927-1	2	8	2441	2111	330
1	72--47	12	1511-1	33				
1	72--48	12	0769-1	2	8	2237	1977	260
1	72--49	12	0927-1	33				
1	72--50	12	0927-1	33				
1	72--51	12	0927-1	33				
1	72--52	12	0927-1	33				
1	72--53	12	0927-1	33				
1	72--54	12	0927-1	33				
1	72--55	12	0927-1	33				
1	72--56	12	0927-1	33				
1	72--57	12	0927-1	33				
1	72--58	12	0927-1	33				
1	72--59	12	0927-1	1				
1	72--60	12	1837-1	2	8	2468	2131	337
1	72--61	12	1535-1	33		3306	3036	270

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - BIGGS

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	72--63	12	1635-1	1		3010	2758	252
1	72--64	12	1135-1	1		2450	2318	132
1	72--65	12	0769-1	2	8	2327	2065	262
1	72--66	12	1645-1	2	8	3571	3272	299
1	72--77	12	1635-1	2	8	3000	2739	261
1	72--78	12	1837-1	1		3160	2896	264
1	72--87	12	1645-1	1		2975	2773	202
1	72--99	12	0927-1	2	8	2471	2153	318
1	73--00	12	1837-1	1		2898	2638	260
1	73--01	12	1837-1	2	8	3216	2776	440
1	73--02	12	1845-1	33				
1	73--03	12	1669-1	1		2866	2608	258
1	73--04	12	1839-1	1		2981	2672	309
1	73--05	12	1611-1	1		2660	2415	245
1	73--06	12	1569-1	33				
1	73--07	12	0927-1	1		2493	2186	307
1	73--08	12	0927-1	1		2391	2155	236
1	73--09	12	0569-0	31				
1	73--10	12	0927-1	33				
1	73--11	12	1111-1	2	8	2205	1958	247
1	73--12	12	1635-1	1		2967	2766	201
1	73--13	12	1669-1	33				
1	73--14	12	1837-1	1		2885	2624	261
1	73--15	12	0927-1	1		2428	2137	291
1	73--17	12	1845-1	33				
1	73--19	12	1169-1	2	8	2535	2270	265
1	73--20	12	1867-1	1		3000	2770	230
1	73--21	12	1839-1	33				
1	73--22	12	0927-1	2	8	2320	2100	220
1	73--24	12	0867-1	1		4435	4011	424
1	73--25	12	1837-0	31				
1	73--26	12	1837-1	33				
1	73--27	12	1837-1	33				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
1	73--35	12	1837-1	1				
1	73--36	12	1737-1	2		2994	2694	300
1	73--37	12	1839-1	33	8	2574	2325	249
1	73--38	12	0569-1	33				
1	73--39	12	0769-1	2				
1	73--40	12	1739-1	2	8	2337	2079	258
1	73--41	12	1535-1	1	8	2859	2595	264
1	73--43	12	1637-0	31		2814	2550	264
1	73--44	12	1837-1	1				
1	73--45	12	1235-1	33		2975	2610	365
1	73--46	12	0927-1	33				
1	73--47	12	0927-1	33				
1	73--48	12	0927-1	33				
1	73--49	12	0927-1	33				
1	73--50	12	0569-1	33				
1	73--51	12	1839-1	2	8	2965	2700	265
1	73--52	12	1837-0	31				
1	73--53	12	1837-1	2				
1	73--54	12	0867-0	31	8	2628	2368	260
1	73--55	12	1235-1	33				
1	73--56	12	0927-1	33				
1	73--57	12	1519-0	31				
1	73--61	12	1837-0	31				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[fol. 1502]

SUMMARY TABLE - DEALER - BIGGS

TYPE OF SALE	NO. OF SALES	-----AVERAGES-----		
		MEDIAN MARKUP	ARITHMETIC MEAN MARKUP	
1	643	249	264	
2	355	254	252	
SUBTOTAL	998			
31	82			
32	3			
33	227			
34				
35				
SUBTOTAL	312			
OTHER				
TOTAL	1,310			

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DEALER NO.

PG. - LINE NO.

MONTH SOLD

MODEL NO. AND YEAR

TYPE OF SALE

OUTLET NO.

SELLING PRICE TO CUSTOMER

DEALER INVOICE

MARKUP

DEALER NO.	PG. - LINE NO.	MONTH SOLD	YEAR	TYPE OF SALE*	OUTLET NO.*	PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	1--07	1	1839-0	1		2857	2695	162
2	1--08	1	1837-0	33				
2	1--09	1	0569-0	1		2100	1878	222
2	1--10	1	1837-0	1		2869	2637	232
2	1--11	1	1867-0	33				
2	1--12	1	1839-0	1		2882	2733	149
2	1--13	1	1211-0	1		2429	2220	209
2	1--14	1	0769-0	33				
2	1--15	1	1511-0	1		2728	2254	474
2	1--16	1	1645-0	33				
2	1--17	1	0769-0	33				
2	1--18	1	0769-0	33				
2	1--19	1	1835-0	33				
2	1--20	1	1837-0	2	8	2639	2333	306
2	1--21	1	1839-0	33				
2	1--22	1	1867-0	33				
2	1--23	1	0569-0	33				
2	1--24	1	1519-0	33				
2	1--25	1	0769-0	33				
2	1--26	1	1835-0	1		3478	3016	462
2	1--27	1	0569-0	1		2253	1874	379
2	1--28	1	1519-0	1		2502	2267	235
2	1--29	1	0769-0	1		2414	2044	370
2	1--30	1	0769-0	1		2319	2046	273
2	1--31	1	0769-0	1		2400	2047	353
2	1--32	1	1867-0	33				
2	2--01	1	1867-0	33				
2	2--02	1	1111-0	1		2262	2124	138
2	2--03	1	0867-0	1		3788	3501	287
2	2--04	1	0769-0	1		2367	1918	449
2	2--05	1	1511-0	1		2575	2260	315
2	2--06	1	0569-0	2	8	2258	1994	264
2	2--07	1	1867-0	1		3029	2801	228

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	2--08	1	1115-0	33				
2	2--09	1	1835-0	1		3071	2944	127
2	2--10	1	0769-0	2	8	2165	1879	286
2	2--11	1	1837-0	33				
2	2--13	1	0569-0	33				
2	2--14	1	1835-0	33				
2	2--15	1	1837-0	1		2768	2635	133
2	2--16	1	1837-0	33				
2	2--18	1	1837-0	33				
2	2--19	1	1837-0	33				
2	2--20	1	0769-0	33				
2	2--21	1	1839-0	1		2900	2784	116
2	2--22	1	0769-0	2	8	2462	2086	376
2	2--23	1	1867-0	33				
2	2--24	1	0769-0	33				
2	2--25	1	1837-0	33				
2	2--26	1	1837-0	33				
2	2--27	1	1867-0	33				
2	2--28	1	1839-0	33				
2	2--29	1	1837-0	33				
2	2--30	1	1837-0	33				
2	2--31	1	0569-0	33				
2	2--32	1	1837-0	33				
2	3--01	1	1111-0	2	8	2222	1968	254
2	3--02	1	0769-0	2	8	2347	2076	271
2	3--03	1	1837-0	33				
2	3--04	1	0769-0	33				
2	3--05	1	1519-0	1		2421	2238	183
2	3--06	1	1837-0	33				
2	3--07	1	1619-0	1		2628	2485	143
2	3--08	1	1837-0	1		2889	2619	270
2	3--09	1	0769-0	33				
2	3--10	1	1867-0	33				
2	3--11	1	1867-0	33				
2	3--12	1	1867-0	33				
2	3--13	1	1867-0	33				
2	3--14	1	1867-0	33				
2	3--15	1	1867-0	33				
2	3--16	1	1867-0	33				
2	3--17	1	1867-0	33				
2	3--18	1	1867-0	33				
2	3--19	1	1867-0	33				
2	3--20	1	1867-0	33				
2	3--21	1	1867-0	33				
2	3--22	1	1867-0	33				
2	3--23	1	1867-0	33				
2	3--24	1	1867-0	33				
2	3--25	1	1867-0	33				
2	3--26	1	1867-0	33				
2	3--27	1	1867-0	33				
2	3--28	1	1867-0	33				
2	3--29	1	1867-0	33				
2	3--30	1	1867-0	33				
2	3--31	1	1867-0	33				
2	3--32	1	1867-0	33				
2	3--33	1	1867-0	33				
2	3--34	1	1867-0	33				
2	3--35	1	1867-0	33				
2	3--36	1	1867-0	33				
2	3--37	1	1867-0	33				
2	3--38	1	1867-0	33				
2	3--39	1	1867-0	33				
2	3--40	1	1867-0	33				
2	3--41	1	1867-0	33				
2	3--42	1	1867-0	33				
2	3--43	1	1867-0	33				
2	3--44	1	1867-0	33				
2	3--45	1	1867-0	33				
2	3--46	1	1867-0	33				
2	3--47	1	1867-0	33				
2	3--48	1	1867-0	33				
2	3--49	1	1867-0	33				
2	3--50	1	1867-0	33				
2	3--51	1	1867-0	33				
2	3--52	1	1867-0	33				
2	3--53	1	1867-0	33				
2	3--54	1	1867-0	33				
2	3--55	1	1867-0	33				
2	3--56	1	1867-0	33				
2	3--57	1	1867-0	33				
2	3--58	1	1867-0	33				
2	3--59	1	1867-0	33				
2	3--60	1	1867-0	33				
2	3--61	1	1867-0	33				
2	3--62	1	1867-0	33				
2	3--63	1	1867-0	33				
2	3--64	1	1867-0	33				
2	3--65	1	1867-0	33				
2	3--66	1	1867-0	33				
2	3--67	1	1867-0	33				
2	3--68	1	1867-0	33				
2	3--69	1	1867-0	33				
2	3--70	1	1867-0	33				
2	3--71	1	1867-0	33				
2	3--72	1	1867-0	33				
2	3--73	1	1867-0	33				
2	3--74	1	1867-0	33				
2	3--75	1	1867-0	33				
2	3--76	1	1867-0	33				
2	3--77	1	1867-0	33				
2	3--78	1	1867-0	33				
2	3--79	1	1867-0	33				
2	3--80	1	1867-0	33				
2	3--81	1	1867-0	33				
2	3--82	1	1867-0	33				
2	3--83	1	1867-0	33				
2	3--84	1	1867-0	33				
2	3--85	1	1867-0	33				
2	3--86	1	1867-0	33				
2	3--87	1	1867-0	33				
2	3--88	1	1867-0	33				
2	3--89	1	1867-0	33				
2	3--90	1	1867-0	33				
2	3--91	1	1867-0	33				
2	3--92	1	1867-0	33				
2	3--93	1	1867-0	33				
2	3--94	1	1867-0	33				
2	3--95	1	1867-0	33				
2	3--96	1	1867-0	33				
2	3--97	1	1867-0	33				
2	3--98	1	1867-0	33				
2	3--99	1	1867-0	33				
2	3--100	1	1867-0	33				

NET

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	4--12	1	1111-0	1		2294	2156	138
2	4--13	1	1837-0	33				
2	4--14	1	1837-0	33				
2	4--15	1	1837-0	1			2512	164
2	4--16	1	1837-0	33		2676		
2	4--17	1	1837-0	33				
2	4--18	1	1837-0	33				
2	4--19	1	1837-0	33				
2	4--20	1	0769-0	2	8	2291	2039	252
2	4--21	1	0769-0	33				
2	4--22	1	0569-0	1		2051	1846	205
2	4--23	1	1837-0	1		2650	2415	235
2	4--24	1	0769-0	1		2258	2028	230
2	4--25	1	1837-0	33				
2	4--26	1	1837-0	33				
2	4--27	1	1837-0	33				
2	4--28	1	1837-0	33				
2	4--29	1	1837-0	33				
2	4--30	1	1837-0	33				
2	4--31	1	1837-0	33				
2	4--32	1	1837-0	1		2840	2507	333
2	5--01	1	0569-0	1		2260	1976	284
2	5--02	1	0769-0	1		2455	2084	371
2	5--03	1	0769-0	2	8	2190	1919	271
2	5--04	1	1839-0	1		2703	2588	115
2	5--05	1	1611-0	1		2486	2307	179
2	5--06	1	1837-0	1		2819	2652	167
2	5--07	1	1111-0	2	8	2410	2140	270
2	5--08	1	1119-0	2		2542	2264	278
2	5--09	1	0769-0	2		2279	2050	229
2	5--10	1	1511-0	2	8	2228	1969	259
2	5--11	1	1419-0	1		2504	2360	144
2	5--12	1	1111-0	3				

33

1111-0

3-12

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	5-13	1	1837-0	1		2981	2637	344
2	5-14	1	1839-0	33				
2	5-15	1	1839-0	33				
2	5-16	1	1839-0	33				
2	5-17	1	0769-0	1				
2	5-18	1	1837-0	1		2191	1943	248
2	5-19	1	1839-0	33		2732	2549	183
2	5-20	1	1635-9	31				
2	5-21	1	0769-0	2	8	2322	2036	286
2	5-22	1	1839-0	2	8	2874	2610	264
2	5-23	1	1837-0	33				
2	5-24	1	1837-0	1		2691	2544	147
2	5-25	1	1839-0	33				
2	5-26	1	0867-0	2	8	3680	3368	312
2	5-27	1	1867-0	33				
2	5-28	1	1837-0	33				
2	5-29	1	1867-0	1		3034	2854	180
2	5-30	1	1837-0	1		2679	2547	132
2	5-31	1	1839-0	33				
2	5-32	1	1539-0	1		2538	2393	145
2	6-01	1	1837-0	1		2757	2609	148
2	6-02	1	1839-0	33				
2	6-03	1	0569-0	1				
2	6-04	1	1837-0	2	8	2198	1978	220
2	6-05	1	1819-0	1		2903	2646	257
2	6-06	1	0569-0	1		2801	2575	226
2	6-07	1	1837-0	33		2104	1799	305
2	6-08	1	1837-0	1				
2	6-09	1	1867-0	1		2730	2594	136
2	6-10	1	1511-0	33		3001	2812	189
2	6-11	1	1839-0	33				
2	6-12	1	1837-0	33				
2	6-13	1	1837-0	33				

DEALER - BRUDER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	6--14	1	1837-0	33				
2	6--15	1	1837-0	33				
2	6--16	1	1837-0	33				
2	6--17	1	1837-0	33				
2	6--18	1	0769-0	33				
2	6--19	1	0769-0	33				
2	6--20	1	1645-0	33				
2	6--21	1	0769-0	33				
2	6--22	1	1837-0	33				
2	6--23	1	1837-0	33				
2	6--24	1	1837-0	33				
2	6--25	1	1867-0	33				
2	6--26	1	1867-0	33				
2	6--27	1	1635-0	1		2830	2674	156
2	6--28	1	1619-0	1		2552	2355	197
2	6--29	1	1837-0	33				
2	6--30	1	1837-0	33				
2	6--31	1	1837-0	2	8	2877	2633	244
2	6--32	1	1867-0	33				
2	7--01	1	1837-0	33				
2	7--02	1	0769-0	33				
2	7--03	1	0769-0	1		2190	1981	209
2	7--04	1	0769-0	2	8	2246	1945	301
2	7--05	1	0867-0	1		4077	3848	229
2	7--06	1	0867-0	1		3828	3332	496
2	7--07	1	1135-0	33				
2	7--08	1	1135-0	33				
2	8--01	2	0769-0	2	8	2284	2028	256
2	8--02	2	1837-0	33				
2	8--03	2	1211-0	1		2432	2264	168
2	8--04	2	1867-0	1		3036	2854	182
2	8--05	2	1837-0	1		2931	2583	348
2	8--06	2	1837-0	1		2837	2652	183
2	8--07	2	1837-0	1				

NET SELLING

MODEL NO.

8-10-00 2 1839-00

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	8--07	2	0769-0	1		2102	2031	71
2	8--08	2	0769-0	1		2327	1987	340
2	8--09	2	1837-0	1		2743	2563	180
2	8--10	2	0769-0	1		2276	2048	228
2	8--11	2	1837-0	1		2773	2468	305
2	8--12	2	1837-0	1		2891	2718	173
2	8--13	2	1837-0	1		2735	2600	135
2	8--14	2	1837-0	1		3355	2535	820
2	8--15	2	1619-0	2	8	2593	2351	242
2	8--16	2	0769-0	33				
2	8--17	2	0569-0	1		2173	1982	191
2	8--18	2	0769-0	2	8	2379	2078	301
2	8--19	2	1837-0	33				
2	8--20	2	0569-0	1		2184	1868	316
2	8--21	2	1867-0	33				
2	8--22	2	1635-0	1		2858	2678	180
2	8--23	2	0769-0	33				
2	8--24	2	0769-0	2				
2	8--25	2	1837-0	1	8	2305	2050	255
2	8--26	2	1219-0	1		2881	2718	163
2	8--27	2	1837-0	1		2636	2195	441
2	8--28	2	1837-0	33				
2	8--29	2	1837-0	33				
2	8--30	2	1837-0	33				
2	8--31	2	1645-0	1		3541	3286	255
2	8--32	2	1839-0	1		3566	2760	806
2	9--01	2	1719-0	1		2555	2183	372
2	9--02	2	1839-0	33				
2	9--03	2	1837-0	1		2767	2519	248
2	9--04	2	1235-0	33				
2	9--05	2	1611-0	1				
2	9--06	2	1839-0	1		2640	2483	157
2	9--07	2	1839-0	1		2925	2595	330
2						2768	2597	171

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[fol.1510]

DEALER - BRUDER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	9--08	2	1837-0	2	8	2935	2672	263
2	9--11	2	0867-0	33				
2	9--12	2	1839-0	33				
2	9--13	2	1867-0	33				
2	9--14	2	1719-0	1		2996	2537	459
2	9--15	2	0867-0	1		4592	4186	406
2	9--16	2	1211-0	1		2378	2262	116
2	9--17	2	0727-0	1		2504	2034	470
2	9--18	2	1839-0	1		3511	3103	408
2	9--19	2	1837-0	33				
2	9--20	2	1839-0	2	8	2929	2659	270
2	9--21	2	1837-0	33				
2	9--22	2	0769-0	1		2263	1971	292
2	9--23	2	1867-0	1		3032	2814	218
2	9--24	2	1839-0	1		3250	3081	169
2	9--25	2	1119-0	1		2480	2215	265
2	9--26	2	0527-0	33				
2	9--27	2	1215-0	1		2924	2518	406
2	9--28	2	1837-0	33				
2	9--29	2	1839-0	2	8	2906	2635	271
2	9--30	2	0769-0	2	8	2334	2047	287
2	9--31	2	1839-0	1		2958	2666	292
2	9--32	2	0769-0	33				
2	10--01	2	1839-9	31				
2	10--02	2	1837-0	33				
2	10--03	2	1837-0	33				
2	10--04	2	1837-0	33				
2	10--05	2	1635-0	33				
2	10--06	2	1839-0	33				
2	10--07	2	1837-0	33				
2	10--08	2	1839-0	33				
2	10--09	2	1837-0	33				
2	10--10	2	1837-0	33				
2	10--11	2	1837-0	33				

SELLING

MODEL NO.

MONTH

PG.

LINE

NO.

DEALER

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	10--13	2	0769-0	33		3290	3147	143
2	10--14	2	1839-0	33				
2	10--15	2	1839-0	33				
2	10--16	2	1235-0	33				
2	10--17	2	1867-0	33				
2	10--18	2	1645-0	33				
2	10--19	2	1837-0	33				
2	10--20	2	1635-0	33				
2	10--21	2	1839-0	33				
2	10--22	2	1867-0	33				
2	10--23	2	0867-0	33				
2	10--24	2	1835-0	33				
2	10--25	2	1119-0	33				
2	10--26	2	1837-0	33				
2	10--27	2	1839-0	33				
2	10--28	2	0727-0	33				
2	10--29	2	1645-0	33				
2	10--30	2	1619-9	33				
2	10--31	2	0769-0	33				
2	10--32	2	1639-9	33				
2	11--01	2	1839-0	33				
2	11--02	2	1819-0	33				
2	11--03	2	1235-0	33				
2	11--04	2	0727-0	33				
2	11--05	2	0569-0	33				
2	11--06	2	0569-0	33				
2	11--07	2	1839-0	33				
2	11--08	2	0769-0	33				
2	11--09	2	1839-0	33				
2	11--10	2	1837-0	33				
2	11--11	2	1837-0	33				
2	11--12	2	0769-0	33				
2	11--13	2	1839-0	33				

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

928

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	11--14	2	0727-0	2	8	2305	2043	262
2	11--15	2	1837-0	33				
2	11--16	2	0867-0	33				
2	11--17	2	1837-0	33				
2	11--18	2	1837-0	33				
2	11--19	2	1235-0	1				
2	11--20	2	1211-0	1				
2	11--21	2	1111-0	1				
2	11--22	2	0769-0	1				
2	11--23	2	1121-0	1				
2	11--24	2	1837-0	1				
2	11--25	2	1837-0	2	8			
2	11--26	2	1837-0	2	8			
2	11--27	2	1219-9	31				
2	11--28	2	0769-0	2	8			
2	11--29	2	1537-0	1				
2	11--30	2	0727-0	1				
2	11--31	2	0727-0	1				
2	11--32	2	0727-0	33				
2	12--01	2	1115-0	1				
2	12--02	2	1119-0	1				
2	12--03	2	1837-0	33				
2	12--04	2	0769-0	2				
2	12--05	2	0727-0	1	8			
2	12--06	2	1635-0	2				
2	12--07	2	1619-0	33	8			
2	12--08	2	0727-0	33				
2	12--09	2	0769-0	33				
2	12--10	2	1837-0	1				
2	12--11	2	1837-0	1				
2	12--12	2	1837-0	33				
2	12--13	2	0727-0	33				
2	12--14	2	0727-0	33				
2	12--15	2	0727-0	33				
2	12--16	2	0727-0	33				
2	12--17	2	0727-0	33				
2	12--18	2	0727-0	33				
2	12--19	2	0727-0	33				
2	12--20	2	0727-0	33				
2	12--21	2	0727-0	33				
2	12--22	2	0727-0	33				
2	12--23	2	0727-0	33				
2	12--24	2	0727-0	33				
2	12--25	2	0727-0	33				
2	12--26	2	0727-0	33				
2	12--27	2	0727-0	33				
2	12--28	2	0727-0	33				
2	12--29	2	0727-0	33				
2	12--30	2	0727-0	33				
2	12--31	2	0727-0	33				
2	12--32	2	0727-0	33				
2	12--33	2	0727-0	33				
2	12--34	2	0727-0	33				
2	12--35	2	0727-0	33				
2	12--36	2	0727-0	33				
2	12--37	2	0727-0	33				
2	12--38	2	0727-0	33				
2	12--39	2	0727-0	33				
2	12--40	2	0727-0	33				
2	12--41	2	0727-0	33				
2	12--42	2	0727-0	33				
2	12--43	2	0727-0	33				
2	12--44	2	0727-0	33				
2	12--45	2	0727-0	33				
2	12--46	2	0727-0	33				
2	12--47	2	0727-0	33				
2	12--48	2	0727-0	33				
2	12--49	2	0727-0	33				
2	12--50	2	0727-0	33				
2	12--51	2	0727-0	33				
2	12--52	2	0727-0	33				
2	12--53	2	0727-0	33				
2	12--54	2	0727-0	33				
2	12--55	2	0727-0	33				
2	12--56	2	0727-0	33				
2	12--57	2	0727-0	33				
2	12--58	2	0727-0	33				
2	12--59	2	0727-0	33				
2	12--60	2	0727-0	33				
2	12--61	2	0727-0	33				
2	12--62	2	0727-0	33				
2	12--63	2	0727-0	33				
2	12--64	2	0727-0	33				
2	12--65	2	0727-0	33				
2	12--66	2	0727-0	33				
2	12--67	2	0727-0	33				
2	12--68	2	0727-0	33				
2	12--69	2	0727-0	33				
2	12--70	2	0727-0	33				
2	12--71	2	0727-0	33				
2	12--72	2	0727-0	33				
2	12--73	2	0727-0	33				
2	12--74	2	0727-0	33				
2	12--75	2	0727-0	33				
2	12--76	2	0727-0	33				
2	12--77	2	0727-0	33				
2	12--78	2	0727-0	33				
2	12--79	2	0727-0	33				
2	12--80	2	0727-0	33				
2	12--81	2	0727-0	33				
2	12--82	2	0727-0	33				
2	12--83	2	0727-0	33				
2	12--84	2	0727-0	33				
2	12--85	2	0727-0	33				
2	12--86	2	0727-0	33				
2	12--87	2	0727-0	33				
2	12--88	2	0727-0	33				
2	12--89	2	0727-0	33				
2	12--90	2	0727-0	33				
2	12--91	2	0727-0	33				
2	12--92	2	0727-0	33				
2	12--93	2	0727-0	33				
2	12--94	2	0727-0	33				
2	12--95	2	0727-0	33				
2	12--96	2	0727-0	33				
2	12--97	2	0727-0	33				
2	12--98	2	0727-0	33				
2	12--99	2	0727-0	33				
2	12--100	2	0727-0	33				

NET

MODEL NO.

NET

13-15 3 0737-0 8 2133 1872 261

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	12-15	2	1839-0	33				
2	12-16	2	1837-0	33				
2	12-17	2	1645-0	1				
2	12-18	2	1837-0	2	8	2975	2788	187
2	12-19	2	0727-0	1		2820	2553	267
2	12-20	2	1837-0	33		2269	2025	244
2	12-21	2	1837-0	33				
2	12-22	2	1837-0	33				
2	12-23	2	1837-0	33				
2	12-24	2	1837-0	33				
2	12-25	2	1837-0	33				
2	12-26	2	1837-0	33				
2	12-27	2	1837-0	33				
2	12-28	2	1837-0	33				
2	12-29	2	1837-0	33				
2	12-30	2	1837-0	33				
2	12-31	2	1837-0	33				
2	12-32	2	1837-0	33				
2	13-01	2	1837-0	33				
2	13-02	2	1837-0	33				
2	13-03	2	1839-0	33				
2	13-04	2	1235-0	33				
2	13-05	2	0727-0	33				
2	13-06	2	1839-0	33				
2	13-07	2	0769-0	33				
2	13-08	2	1867-9	1		2310	2045	265
2	13-09	2	1837-0	33				
2	13-10	2	1811-0	33				
2	13-11	2	1519-0	1	8	2120	1951	169
2	13-12	2	1837-0	2		2572	2282	290
2	13-13	2	0727-0	33				
2	13-14	2	1839-0	2	8	2166	1896	270
2	13-15	2	1837-0	33				
2		2		1		2760	2545	215

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

930

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	13--16	2	0769-0	2	8	2340	2086	254
2	14--11	3	0727-0	33				
2	14--12	3	0721-0	2	8	2209	1996	213
2	14--13	3	1119-0	1		2378	2092	286
2	14--14	3	1819-0	33				
2	14--15	3	1867-0	1		2915	2870	45
2	14--16	3	1635-0	1		3074	2846	228
2	14--17	3	1519-0	2	8	2257	2047	210
2	14--18	3	0769-0	2	8	2121	1918	203
2	14--19	3	0769-0	1		2514	2028	486
2	14--20	3	1867-0	1		2929	2782	147
2	14--21	3	0769-0	33				
2	14--22	3	1235-0	33				
2	14--26	3	1645-0	1		2763	2490	273
2	14--27	3	0867-0	2	8	4220	3899	321
2	14--28	3	1839-0	2	8	2989	2736	253
2	14--29	3	1839-0	2	8	2970	2696	274
2	14--30	3	0769-0	2	8	2080	1858	222
2	14--31	3	1119-0	33				
2	14--32	3	0867-0	2	8	3992	3665	327
2	15--01	3	1837-0	1		2799	2661	138
2	15--02	3	0769-0	1		2343	2028	315
2	15--03	3	1135-0	33				
2	15--04	3	1135-0	33				
2	15--05	3	1511-0	1		2404	2255	149
2	15--06	3	1867-0	1		2913	2789	124
2	15--07	3	1837-0	33				
2	15--08	3	1511-0	1		2489	2336	153
2	15--09	3	1235-0	33				
2	15--10	3	1837-0	1		2848	2652	196
2	15--11	3	1837-0	33				
2	15--12	3	1111-0	33				
2	15--13	3	1111-0	33				
2	15--14	3	1111-0	33				
2	15--15	3	1111-0	33				
2	15--16	3	1111-0	33				
2	15--17	3	1111-0	33				
2	15--18	3	1111-0	33				
2	15--19	3	1111-0	33				
2	15--20	3	1111-0	33				
2	15--21	3	1111-0	33				
2	15--22	3	1111-0	33				
2	15--23	3	1111-0	33				
2	15--24	3	1111-0	33				
2	15--25	3	1111-0	33				
2	15--26	3	1111-0	33				
2	15--27	3	1111-0	33				
2	15--28	3	1111-0	33				
2	15--29	3	1111-0	33				
2	15--30	3	1111-0	33				
2	15--31	3	1111-0	33				
2	15--32	3	1111-0	33				
2	15--33	3	1111-0	33				
2	15--34	3	1111-0	33				
2	15--35	3	1111-0	33				
2	15--36	3	1111-0	33				
2	15--37	3	1111-0	33				
2	15--38	3	1111-0	33				
2	15--39	3	1111-0	33				
2	15--40	3	1111-0	33				
2	15--41	3	1111-0	33				
2	15--42	3	1111-0	33				
2	15--43	3	1111-0	33				
2	15--44	3	1111-0	33				
2	15--45	3	1111-0	33				
2	15--46	3	1111-0	33				
2	15--47	3	1111-0	33				
2	15--48	3	1111-0	33				
2	15--49	3	1111-0	33				
2	15--50	3	1111-0	33				
2	15--51	3	1111-0	33				
2	15--52	3	1111-0	33				
2	15--53	3	1111-0	33				
2	15--54	3	1111-0	33				
2	15--55	3	1111-0	33				
2	15--56	3	1111-0	33				
2	15--57	3	1111-0	33				
2	15--58	3	1111-0	33				
2	15--59	3	1111-0	33				
2	15--60	3	1111-0	33				
2	15--61	3	1111-0	33				
2	15--62	3	1111-0	33				
2	15--63	3	1111-0	33				
2	15--64	3	1111-0	33				
2	15--65	3	1111-0	33				
2	15--66	3	1111-0	33				
2	15--67	3	1111-0	33				
2	15--68	3	1111-0	33				
2	15--69	3	1111-0	33				
2	15--70	3	1111-0	33				
2	15--71	3	1111-0	33				
2	15--72	3	1111-0	33				
2	15--73	3	1111-0	33				
2	15--74	3	1111-0	33				
2	15--75	3	1111-0	33				
2	15--76	3	1111-0	33				
2	15--77	3	1111-0	33				
2	15--78	3	1111-0	33				
2	15--79	3	1111-0	33				
2	15--80	3	1111-0	33				
2	15--81	3	1111-0	33				
2	15--82	3	1111-0	33				
2	15--83	3	1111-0	33				
2	15--84	3	1111-0	33				
2	15--85	3	1111-0	33				
2	15--86	3	1111-0	33				
2	15--87	3	1111-0	33				
2	15--88	3	1111-0	33				
2	15--89	3	1111-0	33				
2	15--90	3	1111-0	33				
2	15--91	3	1111-0	33				
2	15--92	3	1111-0	33				
2	15--93	3	1111-0	33				
2	15--94	3	1111-0	33				
2	15--95	3	1111-0	33				
2	15--96	3	1111-0	33				
2	15--97	3	1111-0	33				
2	15--98	3	1111-0	33				
2	15--99	3	1111-0	33				
2	15--100	3	1111-0	33				

NET

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	15-14	3	1111-0	33				
2	15-15	3	1111-0	33				
2	15-16	3	1211-0	2	8	2565	2303	262
2	15-17	3	0727-0	33				
2	15-18	3	1235-0	1				
2	15-19	3	1235-0	1		2827	2578	249
2	15-20	3	1837-0	1		2660	2538	122
2	15-21	3	1837-0	1		2883	2669	214
2	15-22	3	1837-0	1		2824	2615	209
2	15-23	3	0769-0	2	8	2294	2043	251
2	15-24	3	1839-0	2	8	2942	2682	260
2	15-25	3	1839-0	2	8	2897	2634	263
2	15-26	3	1867-0	33				
2	15-27	3	0727-0	33				
2	15-28	3	1835-0	1		3275	2974	301
2	15-29	3	0727-0	2	8	2259	2004	255
2	15-30	3	0527-0	33				
2	15-31	3	0727-0	1				
2	15-32	3	1867-0	1		2178	2018	160
2	16-01	3	1135-0	1		2996	2866	130
2	16-02	3	0867-0	33		2638	2531	107
2	16-03	3	1635-0	1				
2	16-05	3	1835-0	33		2791	2678	113
2	16-06	3	1135-0	33				
2	16-07	3	1611-0	33				
2	16-08	3	1839-0	1				
2	16-09	3	0769-0	1		2945	2734	211
2	16-10	3	1635-0	33		2240	2077	163
2	16-11	3	1219-0	33				
2	16-12	3	1839-0	33				
2	16-13	3	1837-0	1				
2	16-14	3	0867-0	1		2655	2547	108
2	16-17	3	1839-0	33		3752	3343	409
2	16-18	3	1115-0	2	8	2478	2215	263

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SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. -	LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	16--	19	3	0727-0	2	8	2243	1996	247
2	16--	20	3	0727-0	2	8	2265	2009	256
2	16--	21	3	0867-0	2	8	3895	3631	264
2	16--	22	3	1867-0	1		2900	2796	104
2	16--	23	3	1635-0	1		2949	2754	195
2	16--	24	3	1619-0	33				
2	16--	25	3	1839-0	33				
2	16--	26	3	1635-0	2	8	3081	2842	239
2	16--	27	3	1119-0	2	8	2389	2179	210
2	16--	29	3	1867-0	33				
2	16--	30	3	1839-0	2	8	2768	2503	265
2	16--	31	3	1837-0	1		2818	2558	260
2	16--	32	3	1837-0	33				
2	18--	01	3	1539-0	1		2516	2381	135
2	18--	02	3	1867-0	33				
2	18--	03	3	1837-0	1		2789	2608	181
2	18--	04	3	1867-0	1		2892	2781	111
2	18--	06	3	1839-0	1		2828	2713	115
2	18--	07	3	1837-0	2	8	2779	2559	220
2	18--	08	3	1867-0	2	8	3115	2842	273
2	18--	09	3	0769-0	2	8	2269	2053	216
2	18--	10	3	0727-0	33				
2	18--	11	3	1837-0	1		2786	2683	103
2	18--	12	3	1535-0	2	8	2603	2340	263
2	18--	13	3	1839-0	1		2891	2738	153
2	18--	14	3	1835-0	33				
2	18--	15	3	1867-0	33				
2	18--	16	3	1519-0	2	8	2803	2512	291
2	18--	17	3	1837-0	33				
2	18--	20	3	1619-0	1		2616	2451	165
2	18--	21	3	1867-0	1		2994	2756	238
2	18--	22	3	1635-0	1		2240	2050	210
2	18--	23	3	1637-0	1		2667	2404	263

932

934

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	19--28	3	1635-0	2	8	2660	2437	223
2	19--29	3	1839-0	33				
2	19--30	3	1837-0	33				
2	19--31	3	1867-0	1		2967	2835	132
2	19--32	3	1619-0	1		2691	2451	240
2	20--01	3	1837-0	2	8	2773	2564	209
2	20--02	3	0727-0	2	8	2241	2034	207
2	20--03	3	1111-0	1		2153	1945	208
2	20--04	3	1535-9	31				
2	20--05	3	1837-9	31		4596	3521	1075
2	20--06	3	1835-0	1				
2	20--07	3	1619-0	33				
2	20--08	3	1619-0	1		2611	2409	202
2	20--09	3	1839-0	1		2897	2614	283
2	20--10	3	1619-0	2	8	2683	2460	223
2	20--11	3	1867-0	1		2982	2843	139
2	20--12	3	1837-0	33				
2	20--13	3	1839-0	33				
2	20--14	3	0727-0	1		2340	2037	303
2	20--15	3	1111-0	1		2364	2176	188
2	20--16	3	1867-0	1		2918	2753	165
2	21--01	4	1837-0	1		2703	2552	151
2	21--02	4	0769-0	33				
2	21--03	4	1839-0	1		2773	2641	132
2	21--04	4	1837-0	1		2664	2560	104
2	21--05	4	1119-0	2	8	2235	2023	212
2	21--07	4	1837-0	1		2782	2541	241
2	21--08	4	1837-0	1		3089	2812	277
2	21--09	4	0727-0	2	8	2252	2049	203
2	21--10	4	1839-0	1		2741	2611	130
2	21--11	4	1839-0	1		2884	2641	243
2	21--12	4	0627-0	1	8	2883	2641	243
2	21--13	4	0627-0	1		3142	2856	210
2	21--14	4	0627-0	1		3142	2856	210

NET

5142 2 658 284

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	21--14	4	1835-0	1		3275	2974	301
2	21--15	4	1645-0	2	8	3028	2831	197
2	21--16	4	1835-0	2	8	3013	2803	210
2	21--17	4	1111-0	1		2280	2140	140
2	21--18	4	1837-0	1		2833	2594	239
2	21--19	4	1837-0	1		3011	2700	311
2	21--20	4	1867-0	1		2927	2693	234
2	21--21	4	1619-0	2	8	2605	2390	215
2	21--22	4	1867-0	1		3019	2835	184
2	21--23	4	1867-0	33				
2	21--24	4	1837-0	1		2730	2480	250
2	21--25	4	1535-9	31				
2	21--26	4	1867-0	1		3112	2855	257
2	21--27	4	1867-9	31				
2	21--28	4	1867-0	1		3035	2820	215
2	21--29	4	1837-0	2		2895	2681	214
2	21--30	4	1835-0	1	8	3050	2924	126
2	21--31	4	0727-0	1		2322	2036	286
2	21--32	4	0769-0	1		2208	2069	139
2	23--03	4	1519-0	2	8	2229	2018	211
2	23--04	4	1135-0	33				
2	23--05	4	0769-0	33				
2	23--06	4	1835-0	33				
2	23--07	4	0769-0	2		2240	2037	203
2	23--08	4	1135-0	33				
2	23--09	4	1135-0	33				
2	23--10	4	1135-0	33				
2	23--13	4	1837-0	1		2711	2580	131
2	23--14	4	1837-0	2	8	2801	2587	214
2	23--15	4	1835-0	33				
2	23--16	4	1839-0	1		3237	3068	169
2	23--17	4	1837-0	33				
2	23--18	4	1837-0	1		2745	2585	160

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
								936
2	23--19	4	1619-0	33				
2	23--20	4	1867-0	1		3415	2941	474
2	23--21	4	0769-0	2	8	2121	1916	205
2	23--22	4	1837-0	1		2750	2648	102
2	23--23	4	1645-0	33				
2	23--24	4	0727-0	1		2147	2051	96
2	23--25	4	1819-0	2	8	2721	2502	219
2	23--26	4	0769-0	1		2392	2103	289
2	23--27	4	0527-0	2	8	2172	1964	208
2	23--28	4	0769-0	2	8	2160	1943	217
2	23--29	4	1837-0	1		2885	2580	305
2	23--30	4	1867-0	33				
2	23--31	4	0527-0	2	8	2159	1956	203
2	23--32	4	0727-0	1		1966	1834	132
2	24--01	4	1837-0	1		2800	2577	223
2	24--02	4	0569-0	33				
2	24--04	4	1619-0	2	8	2630	2427	203
2	24--05	4	1619-0	33				
2	24--06	4	1839-0	33				
2	24--07	4	1839-0	33				
2	24--08	4	1867-0	1		3127	2834	293
2	24--09	4	0769-0	1		2350	2076	274
2	24--10	4	0867-0	1		4482	3488	994
2	24--11	4	1111-0	2	8	2173	1957	216
2	24--12	4	1219-0	2	8	2599	2322	277
2	24--19	4	1645-0	33				
2	24--20	4	1837-0	33				
2	24--21	4	1837-0	33				
2	24--22	4	1867-0	2	8	3036	2818	218
2	24--23	4	1835-0	1		2931	2665	66
2	24--24	4	1867-0	1		3150	2957	193
2	24--25	4	1837-0	1		2917	2617	162
2	24--26	4	1837-0	1		2917	2617	162
2	24--27	4	1837-0	1		2917	2617	162
2	24--28	4	1837-0	1		2917	2617	162
2	24--29	4	1837-0	1		2917	2617	162
2	24--30	4	1837-0	1		2917	2617	162
2	24--31	4	1837-0	1		2917	2617	162
2	24--32	4	1837-0	1		2917	2617	162
2	24--33	4	1837-0	1		2917	2617	162
2	24--34	4	1837-0	1		2917	2617	162
2	24--35	4	1837-0	1		2917	2617	162
2	24--36	4	1837-0	1		2917	2617	162
2	24--37	4	1837-0	1		2917	2617	162
2	24--38	4	1837-0	1		2917	2617	162
2	24--39	4	1837-0	1		2917	2617	162
2	24--40	4	1837-0	1		2917	2617	162
2	24--41	4	1837-0	1		2917	2617	162
2	24--42	4	1837-0	1		2917	2617	162
2	24--43	4	1837-0	1		2917	2617	162
2	24--44	4	1837-0	1		2917	2617	162
2	24--45	4	1837-0	1		2917	2617	162
2	24--46	4	1837-0	1		2917	2617	162
2	24--47	4	1837-0	1		2917	2617	162
2	24--48	4	1837-0	1		2917	2617	162
2	24--49	4	1837-0	1		2917	2617	162
2	24--50	4	1837-0	1		2917	2617	162
2	24--51	4	1837-0	1		2917	2617	162
2	24--52	4	1837-0	1		2917	2617	162
2	24--53	4	1837-0	1		2917	2617	162
2	24--54	4	1837-0	1		2917	2617	162
2	24--55	4	1837-0	1		2917	2617	162
2	24--56	4	1837-0	1		2917	2617	162
2	24--57	4	1837-0	1		2917	2617	162
2	24--58	4	1837-0	1		2917	2617	162
2	24--59	4	1837-0	1		2917	2617	162
2	24--60	4	1837-0	1		2917	2617	162
2	24--61	4	1837-0	1		2917	2617	162
2	24--62	4	1837-0	1		2917	2617	162
2	24--63	4	1837-0	1		2917	2617	162
2	24--64	4	1837-0	1		2917	2617	162
2	24--65	4	1837-0	1		2917	2617	162
2	24--66	4	1837-0	1		2917	2617	162
2	24--67	4	1837-0	1		2917	2617	162
2	24--68	4	1837-0	1		2917	2617	162
2	24--69	4	1837-0	1		2917	2617	162
2	24--70	4	1837-0	1		2917	2617	162
2	24--71	4	1837-0	1		2917	2617	162
2	24--72	4	1837-0	1		2917	2617	162
2	24--73	4	1837-0	1		2917	2617	162
2	24--74	4	1837-0	1		2917	2617	162
2	24--75	4	1837-0	1		2917	2617	162
2	24--76	4	1837-0	1		2917	2617	162
2	24--77	4	1837-0	1		2917	2617	162
2	24--78	4	1837-0	1		2917	2617	162
2	24--79	4	1837-0	1		2917	2617	162
2	24--80	4	1837-0	1		2917	2617	162
2	24--81	4	1837-0	1		2917	2617	162
2	24--82	4	1837-0	1		2917	2617	162
2	24--83	4	1837-0	1		2917	2617	162
2	24--84	4	1837-0	1		2917	2617	162
2	24--85	4	1837-0	1		2917	2617	162
2	24--86	4	1837-0	1		2917	2617	162
2	24--87	4	1837-0	1		2917	2617	162
2	24--88	4	1837-0	1		2917	2617	162
2	24--89	4	1837-0	1		2917	2617	162
2	24--90	4	1837-0	1		2917	2617	162
2	24--91	4	1837-0	1		2917	2617	162
2	24--92	4	1837-0	1		2917	2617	162
2	24--93	4	1837-0	1		2917	2617	162
2	24--94	4	1837-0	1		2917	2617	162
2	24--95	4	1837-0	1		2917	2617	162
2	24--96	4	1837-0	1		2917	2617	162
2	24--97	4	1837-0	1		2917	2617	162
2	24--98	4	1837-0	1		2917	2617	162
2	24--99	4	1837-0	1		2917	2617	162
2	24--100	4	1837-0	1		2917	2617	162

DEALER NO.	P.G. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	24--27	4	0769-0	1		2247	2031	216
2	24--28	4	1619-0	1		2549	2385	164
2	24--29	4	0727-0	33				
2	24--30	4	0569-0	33				
2	24--31	4	1837-0	1				
2	25--01	4	0569-0	2	8	2688	2624	64
2	25--02	4	1867-0	1		2160	1957	203
2	25--03	4	0727-0	2	8	3020	2820	200
2	25--04	4	0569-0	1		2196	2009	187
2	25--05	4	1837-0	33		2124	1866	258
2	25--06	4	0769-0	1				
2	26--01	5	1837-0	33		2260	2042	218
2	26--02	5	0727-0	1				
2	26--03	5	0769-0	1		2002	1836	166
2	26--04	5	0769-0	1		2561	2078	483
2	26--05	5	1839-0	33		2257	2093	164
2	26--06	5	1535-0	2	8	2810	2573	237
2	26--07	5	1837-0	1		2900	2738	162
2	26--08	5	1867-0	1		3030	2862	168
2	26--09	5	1837-0	1		2901	2557	344
2	26--10	5	1839-0	1		2873	2681	192
2	26--11	5	1839-0	1		2797	2630	167
2	26--12	5	1839-0	33				
2	26--13	5	1645-0	33				
2	26--14	5	1235-0	33				
2	26--15	5	0769-0	1	8	2224	2087	137
2	26--16	5	1135-0	2		2659	2444	215
2	26--17	5	0727-0	1		2099	1855	244
2	26--18	5	1837-0	33				
2	26--19	5	1135-0	2	8	2565	2332	233
2	26--20	5	1837-0	2	8	2828	2622	206
2	26--21	5	1867-0	2	8	3066	2847	219
2	26--22	5	1867-0	1		3113	2904	209

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - BRUDER

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	26--23	5	0727-0	1		2181	2031	150
2	26--24	5	0727-0	1		2226	2049	177
2	26--25	5	0867-0	1		3500	3351	149
2	26--26	5	1837-0	1		2710	2589	121
2	26--27	5	1867-0	1		2962	2833	129
2	26--29	5	0727-0	1		2164	2026	138
2	26--30	5	1867-0	33				
2	26--31	5	1635-0	1		2890	2709	181
2	26--32	5	0727-0	1		2270	2049	221
2	27--01	5	1867-0	1		2962	2828	134
2	27--02	5	0727-0	2	8	2238	2027	211
2	27--03	5	1819-0	1		2934	2629	305
2	27--05	5	1839-0	2	8	2927	2712	215
2	27--06	5	0769-0	2	8	2275	2070	205
2	27--07	5	0727-0	33				
2	27--08	5	1235-0	33		2828	2665	163
2	27--09	5	1839-0	1		3354	3030	324
2	27--10	5	1839-0	1	8	2997	2779	218
2	27--11	5	1635-0	2		2112	1952	160
2	27--12	5	0727-0	1				
2	27--13	5	1235-0	33		2200	2026	174
2	27--14	5	0727-0	1		2160	2009	151
2	27--15	5	0727-0	1		2288	2047	241
2	27--16	5	0769-0	1		2181	2026	155
2	27--17	5	0727-0	1		2433	2230	203
2	27--18	5	1719-0	2	8	2901	2845	56
2	27--21	5	1867-0	1		2448	2112	336
2	27--22	5	1111-0	1				
2	27--23	5	0727-0	33	8	2188	1976	212
2	27--24	5	0569-0	2		2045	2721	124
2	27--25	5	1839-0	1				
2	27--26	5	1839-0	1				
2	27--27	5	1839-0	1				
2	27--28	5	1839-0	1				
2	27--29	5	1839-0	1				
2	27--30	5	1839-0	1				
2	27--31	5	1839-0	1				
2	27--32	5	1839-0	1				
2	27--33	5	1839-0	1				
2	27--34	5	1839-0	1				
2	27--35	5	1839-0	1				
2	27--36	5	1839-0	1				
2	27--37	5	1839-0	1				
2	27--38	5	1839-0	1				
2	27--39	5	1839-0	1				
2	27--40	5	1839-0	1				
2	27--41	5	1839-0	1				
2	27--42	5	1839-0	1				
2	27--43	5	1839-0	1				
2	27--44	5	1839-0	1				
2	27--45	5	1839-0	1				
2	27--46	5	1839-0	1				
2	27--47	5	1839-0	1				
2	27--48	5	1839-0	1				
2	27--49	5	1839-0	1				
2	27--50	5	1839-0	1				
2	27--51	5	1839-0	1				
2	27--52	5	1839-0	1				
2	27--53	5	1839-0	1				
2	27--54	5	1839-0	1				
2	27--55	5	1839-0	1				
2	27--56	5	1839-0	1				
2	27--57	5	1839-0	1				
2	27--58	5	1839-0	1				
2	27--59	5	1839-0	1				
2	27--60	5	1839-0	1				
2	27--61	5	1839-0	1				
2	27--62	5	1839-0	1				
2	27--63	5	1839-0	1				
2	27--64	5	1839-0	1				
2	27--65	5	1839-0	1				
2	27--66	5	1839-0	1				
2	27--67	5	1839-0	1				
2	27--68	5	1839-0	1				
2	27--69	5	1839-0	1				
2	27--70	5	1839-0	1				
2	27--71	5	1839-0	1				
2	27--72	5	1839-0	1				
2	27--73	5	1839-0	1				
2	27--74	5	1839-0	1				
2	27--75	5	1839-0	1				
2	27--76	5	1839-0	1				
2	27--77	5	1839-0	1				
2	27--78	5	1839-0	1				
2	27--79	5	1839-0	1				
2	27--80	5	1839-0	1				
2	27--81	5	1839-0	1				
2	27--82	5	1839-0	1				
2	27--83	5	1839-0	1				
2	27--84	5	1839-0	1				
2	27--85	5	1839-0	1				
2	27--86	5	1839-0	1				
2	27--87	5	1839-0	1				
2	27--88	5	1839-0	1				
2	27--89	5	1839-0	1				
2	27--90	5	1839-0	1				
2	27--91	5	1839-0	1				
2	27--92	5	1839-0	1				
2	27--93	5	1839-0	1				
2	27--94	5	1839-0	1				
2	27--95	5	1839-0	1				
2	27--96	5	1839-0	1				
2	27--97	5	1839-0	1				
2	27--98	5	1839-0	1				
2	27--99	5	1839-0	1				
2	27--100	5	1839-0	1				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	27--28	5	1839-0	2	8	2839	2628	211
2	27--29	5	1819-0	2	8	2736	2526	210
2	27--30	5	1819-0	33				
2	27--31	5	1837-0	1				
2	27--32	5	0769-0	1		2782	2611	171
2	28--01	5	0727-0	1		2074	1921	153
2	28--02	5	0769-0	1		2454	1996	458
2	28--03	5	1645-9	2	8	2257	2044	213
2	28--04	5	1835-0	31				
2	28--05	5	1839-0	1		3412	3084	328
2	28--06	5	1839-0	1		2924	2646	278
2	28--07	5	1135-9	1		3171	2947	224
2	28--08	5	1837-0	31				
2	28--09	5	1119-0	33				
2	28--10	5	0769-0	1		2165	2001	164
2	28--17	5	1545-0	33				
2	28--18	5	1645-0	2	8	2693	2480	213
2	29--01	6	0727-0	1		3056	2840	216
2	29--02	6	1645-0	1		2279	2030	249
2	29--03	6	1819-0	2	8	2991	2774	217
2	29--04	6	1135-0	2	8	2753	2564	189
2	29--05	6	0727-0	1		2710	2507	203
2	29--06	6	1867-9	1		2158	1918	240
2	29--07	6	0569-0	31				
2	29--08	6	0727-0	1		1972	1864	108
2	29--09	6	0727-0	1		2116	2026	90
2	29--10	6	0727-0	1		2295	1938	357
2	29--11	6	1837-9	31				
2	29--12	6	0927-0	1		2734	2194	540
2	29--13	6	0727-0	1		2220	2036	184
2	29--14	6	1837-0	1		3004	2890	114
2	29--15	6	0927-0	1		2669	2185	484
2	29--16	6	1867-9	31				
2	29--16	6	0527-0	2	8	1980	1773	207

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	29--17	6	1111-0	1		2075	1940	135
2	29--18	6	0769-0	1		2298	2076	222
2	29--19	6	1839-0	33				
2	29--20	6	0569-0	33				
2	29--21	6	1645-0	1		2856	2717	139
2	29--22	6	1235-0	1		3150	3034	116
2	29--23	6	1839-0	1		2848	2675	173
2	29--24	6	1619-0	1	8	2626	2415	211
2	29--25	6	0769-0	2	8	2291	2070	221
2	29--26	6	1635-0	2	8	2880	2668	212
2	29--28	6	1837-0	2	8	2888	2690	198
2	29--29	6	1837-0	1	8	2930	2571	359
2	29--30	6	0727-0	1		2013	1896	117
2	29--31	6	1219-0	1	8	2435	2221	214
2	29--32	6	1839-0	1		3332	2974	358
2	30--01	6	0769-0	2	8	2265	2062	203
2	30--02	6	0727-0	1		2231	2051	180
2	30--03	6	1837-0	1		3034	2522	512
2	30--04	6	1835-0	2	8	3184	2963	221
2	30--05	6	1211-0	2	8	2474	2262	212
2	30--06	6	1837-0	1		3177	2674	503
2	30--07	6	1837-0	1		2782	2565	217
2	30--08	6	1837-9	31				
2	30--09	6	1635-0	2	8	3012	2784	228
2	30--10	6	1839-0	2	8	2947	2733	214
2	30--11	6	0727-0	2	8	2214	2001	213
2	30--12	6	1645-0	1		2798	2797	1
2	30--13	6	1619-9	31				
2	30--14	6	1837-9	31				
2	30--15	6	1637-0	31				
2	30--16	6	1111-0	31				
2	30--17	6	1111-0	31				

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11-1-0

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NET

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	30--19	6	1837-9	31				
2	30--20	6	1867-0	2	8	3180	2953	227
2	30--21	6	1839-0	1		2988	2762	226
2	30--22	6	0807-0	1		4000	3611	389
2	30--23	6	0727-0	1		2321	2057	264
2	30--24	6	1839-0	1		2722	2621	101
2	30--25	6	0727-0	1		2086	1937	149
2	30--26	6	0569-0	1		1940	1760	180
2	30--27	6	1819-0	2	8	3094	2894	200
2	30--28	6	0727-0	1		2185	2016	169
2	30--29	6	1837-0	1		2783	2577	206
2	30--30	6	0769-0	33				
2	30--31	6	1867-0	1		3043	2825	218
2	31--01	6	0727-0	1		2368	2027	341
2	31--02	6	1837-0	1		3079	2905	174
2	31--03	6	1635-0	1		3271	2606	665
2	31--04	6	1839-0	33				
2	31--05	6	0927-0	2	8	2382	2171	211
2	31--06	6	0527-0	1		1892	1820	72
2	31--07	6	1839-0	33				
2	31--08	6	0727-0	2	8	2233	2018	215
2	31--09	6	1867-9	31				
2	31--10	6	0727-0	2	8	2176	1966	210
2	31--11	6	0927-0	2	8	2343	2130	213
2	31--23	6	1837-0	2	8	2773	2510	263
2	31--24	6	1837-9	31				
2	31--25	6	0727-0	2	8	2160	1938	222
2	32--04	7	1839-0	33				
2	32--05	7	0927-0	1		2442	2177	265
2	32--06	7	0769-0	33				
2	32--07	7	1135-0	1		2636	2319	317
2	32--08	7	0769-0	2	8	2291	2078	213
2	32--11	7	1837-0	1		2880	2632	249

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - BRUDER

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	32--12	7	0769-0	2	8	2275	2078	197
2	32--13	7	1837-0	33				
2	32--14	7	1111-0	1		2280	2116	164
2	32--15	7	1135-0	1		2583	2514	69
2	32--16	7	1835-0	2	8	3261	3047	214
2	32--17	7	0727-0	33				
2	32--18	7	1619-0	33				
2	32--19	7	1837-0	1		3361	2613	748
2	32--20	7	1839-0	33				
2	32--21	7	0727-0	33				
2	32--22	7	1637-0	1		2683	2527	156
2	32--23	7	1519-0	33				
2	32--24	7	1645-0	33				
2	32--25	7	1835-0	33				
2	32--26	7	1635-0	1		3035	2702	333
2	32--27	7	1837-0	1		2748	2486	262
2	32--28	7	1837-0	1		2757	2605	152
2	32--29	7	1837-0	1		2644	2551	93
2	32--30	7	1867-0	33				
2	32--31	7	0927-0	2	8	2426	2171	255
2	32--32	7	1867-0	1		3114	2954	160
2	33--01	7	1867-0	1		3013	2775	238
2	33--02	7	1835-0	1		3200	2862	338
2	33--03	7	0927-0	1		2667	2168	499
2	33--04	7	1867-9	31				
2	33--05	7	0727-0	1		2400	2057	343
2	33--06	7	0927-0	33				
2	33--07	7	0927-0	1		2722	2183	539
2	33--08	7	0927-0	1		2352	2092	260
2	33--09	7	1539-0	33				
2	33--10	7	0927-0	33	8	3188	2989	199
2	33--11	7	0927-0	33		3500	2620	140
2	33--12	7	0927-0	33				

NET

MODEL NO.

35-11 7 0727-0 35 2820 140

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	33--13	7	0927-0	1		2667	2168	499
2	33--14	7	1535-0	1		2844	2584	260
2	33--15	7	0769-0	1		2557	2078	479
2	33--16	7	0927-0	1		2455	2206	249
2	33--17	7	0727-0	33				
2	33--18	7	1611-0	33				
2	33--19	7	0927-0	1		2667	2168	499
2	33--20	7	0727-0	2	8	2240	2026	214
2	33--21	7	0867-0	33				
2	33--22	7	1837-0	1		2808	2668	140
2	33--23	7	0927-0	33				
2	33--24	7	1837-0	2	8	2781	2552	229
2	33--26	7	0727-0	1		2481	2024	457
2	33--27	7	1837-0	1		2797	2591	206
2	33--28	7	0727-0	2	8	2057	1840	217
2	33--29	7	0769-0	1		2344	2083	261
2	33--30	7	1819-0	1		2772	2635	137
2	33--31	7	1115-0	33				
2	33--32	7	0569-0	1		2138	1851	287
2	34--01	7	1111-0	1		2277	1948	329
2	34--02	7	1639-0	1		2849	2534	315
2	34--22	7	1839-0	33				
2	34--23	7	1867-0	1		3170	2837	333
2	35--01	8	1867-0	33				
2	35--02	8	0927-0	1		2510	2168	342
2	35--03	8	1737-0	1		2449	2207	242
2	35--04	8	1839-0	1		3011	2783	228
2	35--05	8	1867-0	33				
2	35--06	8	0927-0	1		2339	2138	201
2	35--07	8	1839-0	1		3723	3254	469
2	35--08	8	1619-0	2	8	2831	2517	314
2	35--09	8	1219-9	31				
2	35--10	8	1111-0	1		2319	2148	171

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DEALER - BRUDER

[fol. 1528]

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	35--11	8	0727-0	2	8	2226	2012	214
2	35--12	8	0727-0	1		2200	2007	193
2	35--13	8	1211-0	1		2483	2328	155
2	35--14	8	0727-0	1		2240	1876	364
2	35--15	8	1839-0	32				
2	35--16	8	1867-9	31		2824	2611	213
2	35--17	8	1837-0	2	8	3152	2908	244
2	35--18	8	1867-0	1	8	2326	2117	209
2	35--19	8	1519-0	2				
2	35--20	8	1867-9	31		2435	2216	219
2	35--21	8	1115-0	2	8	2807	2563	244
2	35--22	8	1837-0	2	8	2901	2635	266
2	35--23	8	1839-0	1		2436	2052	384
2	35--24	8	0927-0	1		2818	2651	167
2	35--25	8	1837-0	1		2471	2009	462
2	35--26	8	0727-0	1		3312	2775	537
2	35--27	8	1867-0	1		2913	2616	297
2	35--28	8	1837-0	1				
2	35--29	8	0769-0	33		2336	2062	274
2	35--30	8	0769-0	1				
2	35--31	8	1645-0	33		2491	2281	210
2	35--32	8	1135-0	2	8	2823	2565	258
2	36--01	8	1837-0	1		2250	2051	199
2	36--02	8	1119-0	1		2295	2057	238
2	36--03	8	0927-0	1		2092	1893	199
2	36--04	8	0727-0	1				
2	36--05	8	1235-0	33		2680	2489	191
2	36--06	8	1235-0	2	8	3067	2841	226
2	36--08	8	1645-0	1		2117	1990	127
2	36--09	8	0727-0	1		2227	2040	187
2	36--10	8	1847-0	2	8	2825	2040	165
2	36--11	8	1847-0	2		3000	1800	201

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	36--13	8	0927-0	1		2470	2060	410
2	36--14	8	0867-0	2	8	3720	3392	328
2	36--15	8	0727-0	1		2256	2066	190
2	36--16	8	0569-0	1		1981	1943	38
2	36--17	8	0927-0	1		2525	2153	372
2	36--18	8	0727-0	1		2168	2033	135
2	36--19	8	0769-0	1		2199	2061	138
2	36--20	8	1867-0	1		3278	2742	536
2	36--21	8	0727-0	1		2140	2049	91
2	36--27	8	0569-0	1		2275	2026	249
2	36--28	8	1619-0	1		2679	2467	212
2	36--29	8	0769-0	1		2185	2056	129
2	36--30	8	1837-0	2	8	2834	2633	201
2	36--31	8	0569-0	1		1914	1812	102
2	36--32	8	1837-0	1		2962	2550	412
2	37--01	8	1837-0	2	8	2735	2546	189
2	37--02	8	1837-0	1		2683	2585	98
2	37--03	8	1837-0	2	8	2663	2446	217
2	37--04	8	1611-0	1		2587	2407	180
2	38--01	9	0569-0	2	8	2252	2024	228
2	38--02	9	0727-0	1		2050	1830	220
2	38--03	9	0769-0	1		2076	1934	142
2	38--04	9	1839-0	2	8	2820	2593	227
2	38--05	9	0569-0	1		2054	2048	6
2	38--06	9	1635-9	31				
2	38--07	9	0727-0	1		2024	1891	133
2	38--08	9	1511-0	1		2191	2072	119
2	38--09	9	1737-0	1		2400	2207	193
2	38--10	9	1111-0	1		2304	2097	207
2	38--11	9	0569-0	33				
2	38--12	9	0727-0	1		2207	2057	150
2	38--13	9	1867-0	32				
2	38--14	9	0727-0	1		2168	2001	167

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	38--15	9	1119-0	1		2262	2037	225
2	38--16	9	1837-0	1		2840	2627	213
2	38--17	9	0569-0	1		2123	2025	98
2	38--18	9	1867-0	32				
2	38--19	9	1867-0	32				
2	38--20	9	0527-0	32				
2	38--21	9	0727-0	1				
2	38--22	9	0569-0	1				
2	38--23	9	1867-0	1				
2	38--24	9	1111-0	1				
2	38--25	9	1837-0	1				
2	38--26	9	0867-0	1				
2	38--27	9	1837-0	2	8	2230	2090	140
2	38--28	9	0727-0	1		2141	1999	142
2	38--29	9	0569-0	2	8	3075	2780	295
2	38--30	9	1635-0	1		2081	1931	150
2	38--31	9	1839-0	1		2750	2533	217
2	38--32	9	1867-0	1		3517	3346	171
2	39--01	9	1867-0	1		2737	2510	227
2	39--02	9	0769-0	1		2950	2780	170
2	39--03	9	0527-0	1		2057	1906	151
2	39--04	9	0569-0	1		1968	1927	41
2	39--05	9	0769-0	1		2970	2657	313
2	39--06	9	0569-0	1		2858	2662	196
2	39--07	9	1837-0	1		3100	2738	362
2	39--08	9	1837-0	1		2096	1948	148
2	39--09	9	0569-0	1		1952	1898	54
2	39--10	9	1837-0	1		2009	1960	49
2	39--11	9	0569-0	1		2150	2075	75
2	39--12	9	0569-0	1		2055	1993	62
2	39--13	9	1837-0	2		2228	2025	203
2	39--14	9	1837-0	1	8	2789	2605	184
2	39--15	9	1837-0	1		2975	2849	126
2	39--16	9	0569-0	1		2009	1956	53
2	39--17	9	1537-0	1		2558	2341	217
2	39--18	9	0569-0	1		2068	1983	85
2	39--19	9	1837-0	2	8	2937	2720	217
2	39--20	9	1837-0	1		2784	2632	152
2	39--21	9	1837-0	1		2612	2405	147

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NETTING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	39--16	9	0769-0	1		2171	2078	93
2	39--17	9	0569-0	1		2099	1995	104
2	39--18	9	0727-0	1		2000	1935	65
2	39--19	9	1867-0	1		2952	2888	64
2	39--20	9	1119-0	1		2382	2171	211
2	39--21	9	0769-0	1		2162	2040	122
2	39--22	9	1837-0	1		2797	2641	156
2	39--23	9	0727-0	1		2289	2056	233
2	39--24	9	1837-0	1		2750	2580	170
2	39--25	9	1867-0	1		2900	2811	89
2	39--26	9	0769-0	1		2142	1922	220
2	39--27	9	1635-0	1		3340	3033	307
2	40--03	10	1839-0	2	8	2843	2712	131
2	40--05	10	0867-0	1		3580	3328	252
2	40--07	10	1837-0	1		2724	2546	178
2	40--10	10	1839-0	1		2875	2631	244
2	40--13	10	0769-0	31				
2	40--15	10	1837-0	31				
2	40--16	10	0927-1	1				
2	40--17	10	1837-1	33		2457	2164	293
2	40--18	10	1867-1	33				
2	40--19	10	1867-1	33				
2	40--20	10	1867-1	33				
2	40--21	10	1867-1	33				
2	40--22	10	1611-0	31				
2	40--23	10	1867-1	33				
2	40--24	10	1839-1	33				
2	40--25	10	1839-1	33				
2	40--26	10	1839-1	33				
2	40--27	10	1839-1	33				
2	40--28	10	1867-1	33				
2	40--29	10	1839-0	31				
2	40--30	10	1837-1	1				
2		10	0927-1	1				
						3042	2576	466
						2646	2190	456

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DEALER - BRUDER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	40--31	10	0867-0	31		3043	2701	342
2	40--32	10	1837-1	1		2362	2129	233
2	41--01	10	0927-1	1		3250	2751	499
2	41--02	10	1867-1	1				
2	41--03	10	1511-0	31				
2	41--04	10	1867-1	1		3235	2826	409
2	41--05	10	1645-0	31				
2	41--06	10	1867-0	31				
2	41--07	10	1619-0	31				
2	41--08	10	1839-1	1		3029	2667	362
2	41--09	10	0727-1	1		2421	2018	403
2	41--10	10	0769-1	1		2445	2064	381
2	41--11	10	0927-1	1		2554	2207	347
2	41--12	10	0569-0	31				
2	41--14	10	1635-1	1		3470	2771	699
2	41--15	10	0927-1	1		2538	2164	374
2	41--16	10	1837-0	31				
2	41--17	10	1837-0	31				
2	41--18	10	1839-1	2	8	2827	2571	256
2	41--19	10	0769-1	33				
2	41--20	10	0727-1	33				
2	41--21	10	0867-1	33				
2	41--22	10	0867-0	31				
2	41--23	10	1837-1	1		3027	2598	429
2	41--24	10	1837-1	33				
2	41--25	10	0867-1	1	8	3870	3382	488
2	41--26	10	1535-1	2		2699	2434	265
2	41--27	10	1819-0	1		3154	2707	447
2	41--28	10	1819-0	31				
2	41--29	10	1525-1	2		2582	2324	258
2	41--30	10	0867-1	1		2402	2008	230
2	41--31	10	0867-1	1			2144	238

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	42--01	10	1837-1	33		2850	2586	264
2	42--02	10	1837-1	33		3250	2829	421
2	42--03	10	1837-1	33		3125	2816	309
2	42--04	10	1837-1	33				
2	42--05	10	1837-1	33				
2	42--06	10	1839-1	33				
2	42--07	10	1837-1	1				
2	42--08	10	1867-1	1				
2	42--09	10	1867-1	1				
2	42--10	10	1837-0	31				
2	42--11	10	1269-1	2	8	2583	2267	316
2	42--12	10	0769-1	2	8	2360	2044	316
2	42--13	10	1619-0	31				
2	42--14	10	0769-0	31				
2	42--15	10	0769-1	1		2300	2084	216
2	42--16	10	0769-1	1		2282	1979	303
2	42--17	10	1867-0	31				
2	42--18	10	1837-0	31				
2	42--19	10	1837-0	31				
2	42--20	10	1867-0	31				
2	42--21	10	0927-1	1		2429	2172	257
2	42--22	10	1839-1	1		2982	2631	351
2	42--23	10	1635-0	31				
2	42--24	10	1245-1	1		3008	2817	191
2	42--25	10	0927-1	1		2231	1978	253
2	42--26	10	0727-1	1		2273	2041	232
2	42--27	10	1837-1	33				
2	42--28	10	1837-1	2	8	3131	2894	237
2	42--29	10	0569-0	31				
2	42--30	10	0727-1	1		2323	1883	440
2	42--31	10	1939-0	31				
2	42--32	10	0727-1	1		2314	2037	277
2	43--01	10	1837-1	1		2819	2610	209

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DEALER - BRUDER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	44--01	11	1837-1	33				
2	44--02	11	1669-1	33				
2	44--03	11	1669-1	33				
2	44--04	11	1537-0	31				
2	44--05	11	0927-1	1	8	2392	2065	327
2	44--06	11	0927-1	2		2447	2090	357
2	44--07	11	1169-1	1		2549	2145	404
2	44--08	11	1635-1	1		3437	2796	641
2	44--09	11	0927-1	1		2788	2227	561
2	44--10	11	1867-1	33				
2	44--11	11	1839-1	33		2570	2157	413
2	44--12	11	0927-1	1				
2	44--13	11	0727-1	33				
2	44--14	11	0927-1	2	8	2432	2173	259
2	44--15	11	0927-1	1		2398	2167	231
2	44--16	11	1819-0	31				
2	44--17	11	1837-0	31				
2	44--18	11	1837-0	31				
2	44--19	11	1837-0	31				
2	44--20	11	1839-1	2	8	2974	2706	268
2	44--21	11	0927-1	1		2404	2179	225
2	44--22	11	1837-1	2	8	2994	2748	246
2	44--23	11	1837-1	2	8	2957	2711	246
2	44--24	11	1135-1	2	8	2531	2271	260
2	44--25	11	1839-1	1		2871	2695	176
2	44--26	11	0769-0	31				
2	44--27	11	1839-1	1		2993	2705	288
2	44--28	11	1637-1	1		2961	2698	263
2	44--29	11	1835-1	1		3586	3353	235
2	44--30	11	0927-1	31		2517	2191	326
2	44--31	11	1837-1	1		2884	2628	256
2	44--32	11	1837-1	1		2964	2694	269

SELLING

MODEL NO.

PG. - LINE NO.

DEALER

254
252
2428
2065

2884
2065

1837-1
1837-1

22-1-12
22-1-12

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE*	OUTLET NO.**	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	45--02	11	0927-1	1		2532	2179	353
2	45--03	11	1837-1	2	8	3383	3129	254
2	45--04	11	1837-1	1		2503	2374	129
2	45--05	11	1837-1	1		3224	2914	310
2	45--06	11	1611-1	1		2685	2298	387
2	45--07	11	0727-1	1		2126	2011	115
2	45--08	11	1867-1	1		3268	2805	463
2	45--09	11	0735-1	1		2635	2290	345
2	45--10	11	1837-1	1		2821	2541	280
2	45--11	11	0769-1	1		2308	2074	234
2	45--12	11	0727-1	1		2040	1782	258
2	45--13	11	1839-1	2	8	2912	2633	279
2	45--14	11	1837-1	2	8	2770	2520	250
2	45--15	11	1839-1	2	8	2898	2619	279
2	45--16	11	1837-1	2	8	3158	2906	252
2	45--17	11	1737-1	2	8	2468	2232	236
2	45--18	11	1737-1	2	8	2741	2468	273
2	45--19	11	1169-1	2	8	2403	2145	258
2	45--20	11	1839-1	1		3038	2750	288
2	45--21	11	0927-1	1		2552	2179	373
2	45--22	11	0927-1	2	8	2356	2033	323
2	45--23	11	0769-0	31				
2	45--24	11	0927-1	1		2466	2166	300
2	45--25	11	0769-1	1		2375	2125	250
2	45--26	11	1839-1	33				
2	45--27	11	1839-1	33				
2	45--28	11	1837-1	2	8	2859	2607	252
2	45--29	11	0769-1	2	8	2224	1969	255
2	45--30	11	1839-1	2	8	2904	2645	259
2	45--31	11	1837-1	2	8	2874	2622	252
2	45--32	11	1637-1	2	8	2712	2504	208
2	46--01	11	0569-0	31				
2	46--02	11	1835-1	2	8	3250	2939	311

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DEALER - BRUDER

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	46--03	11	1867-1	2	8	3361	3107	254
2	46--04	11	0769-1	2	8	2307	2077	230
2	46--05	11	0727-1	1		2340	2058	282
2	46--06	11	1837-1	33				
2	46--07	11	1645-1	33				
2	46--08	11	1837-1	1				
2	46--09	11	0769-1	33		2881	2629	252
2	46--10	11	1111-1	1				
2	46--11	11	1839-1	2	8	2280	2219	61
2	46--12	11	0727-0	31		2944	2698	246
2	46--13	11	0927-1	1				
2	46--14	11	0727-1	2	8	2437	2164	273
2	46--15	11	1635-0	31		2098	1847	251
2	46--16	11	0927-1	2	8	2399	2146	253
2	46--17	11	0927-1	2	8	2439	2160	279
2	46--18	11	1535-1	2	8	2734	2466	268
2	46--19	11	0727-1	1		2253	1913	340
2	46--20	11	1611-0	31				
2	46--21	11	1839-1	1		2818	2588	230
2	46--22	11	0927-1	1		2375	2167	208
2	46--23	11	0769-1	2	8	2110	1857	253
2	46--24	11	0927-1	1		2664	2197	467
2	46--25	11	0927-1	2	8	2364	2111	253
2	46--26	11	1839-1	1		3195	2754	441
2	46--27	11	0867-1	1	8	3975	3688	287
2	46--28	11	1837-1	2	8	2699	2455	244
2	46--29	11	1837-1	2	8	2822	2572	250
2	46--30	11	1867-1	2	8	3523	2979	544
2	46--31	11	1611-0	31				
2	46--32	11	1869-1	1		2812	2583	229
2	46--33	11	0857-1	1		3736	3414	320
2	46--34	11	1869-1	1		2424	2284	154
2	46--35	11	0857-1	1		2667	2466	200

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	47--04	11	1837-0	31				
2	47--05	11	1845-1	1				
2	47--06	11	0527-1	1				
2	47--07	11	0927-1	33		3527	3042	485
2	47--08	11	1839-1	1		2236	1941	295
2	47--09	11	0927-1	1				
2	47--10	11	0927-1	2	8	3050	2870	180
2	47--11	11	1837-1	1		2374	2122	252
2	47--12	11	1837-1	1		2438	2195	243
2	47--13	11	1837-0	31		2876	2616	260
2	47--14	11	0927-1	1				
2	47--15	11	1867-1	1		2593	2182	411
2	47--16	11	1837-1	1		3251	2919	332
2	47--17	11	1837-1	33		2891	2618	273
2	47--18	11	1837-1	2				
2	47--19	11	1569-1	3	8	2843	2600	243
2	47--20	11	1215-0	31	8	2588	2376	212
2	47--21	11	0867-1	1				
2	47--22	11	1211-1	1		4300	3521	779
2	47--23	11	1867-1	1		2564	2282	282
2	47--24	11	1837-0	31		3121	2819	302
2	47--25	11	0927-1	1				
2	47--26	11	1837-0	31		2574	2186	388
2	48--01	12	0927-1	2				
2	48--02	12	1837-1	1	8	2380	2130	250
2	48--03	12	0867-1	1		2969	2621	348
2	48--04	12	0927-1	1		3895	3741	154
2	48--05	12	1839-1	1		2597	2108	489
2	48--06	12	1837-1	1		2780	2650	130
2	48--07	12	0927-1	1		2742	2423	319
2	48--08	12	0769-1	1		2539	2108	431
2	48--09	12	1837-1	2	8	2329	2066	263
2	48--10	12	1837-1	33				
2				33				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	48--11	12	0927-1	2	8	2451	2170	281
2	48--12	12	1839-1	1		2857	2673	184
2	48--13	12	0927-1	2	8	2410	2160	250
2	48--14	12	0927-1	2	8	2375	2111	264
2	48--15	12	1867-1	1		3022	2748	274
2	48--16	12	0727-1	1		2331	1969	362
2	48--18	12	0927-1	1		2426	2170	256
2	48--19	12	0927-1	2	8	2504	2179	325
2	48--20	12	0927-1	2	8	2430	2175	255
2	48--21	12	1739-1	2	8	2796	2542	254
2	48--22	12	0927-1	2	8	2448	2111	337
2	48--23	12	1635-1	1		3362	3102	260
2	48--24	12	1837-1	1		3081	2668	413
2	48--25	12	0927-1	1		2414	2046	368
2	48--26	12	1839-1	1		2825	2635	190
2	48--27	12	1837-0	31		4050	3712	338
2	48--28	12	0867-1	1		3424	2978	446
2	48--29	12	1839-1	1		2695	2189	506
2	48--30	12	0927-1	1				
2	48--31	12	1839-0	31		3257	2789	468
2	48--32	12	1837-1	1				
2	49--01	12	1839-1	33	8	2377	2126	251
2	49--02	12	0927-1	2		2316	2062	254
2	49--03	12	0769-1	1	8	2893	2635	258
2	49--04	12	1837-1	2		2997	2746	251
2	49--05	12	1867-1	2		2948	2575	373
2	49--06	12	1837-1	1		2909	2646	263
2	49--07	12	1837-1	1				
2	49--08	12	1669-1	33				
2	49--09	12	1837-1	33				
2	49--10	12	0727-1	2	8	2269	2001	259
2	49--11	12	0727-1	2	8	2082	2034	256
2	49--12	12	0727-1	2				
2	49--13	12	0727-1	2				
2	49--14	12	0727-1	2				
2	49--15	12	0727-1	2				
2	49--16	12	0727-1	2				
2	49--17	12	0727-1	2				
2	49--18	12	0727-1	2				
2	49--19	12	0727-1	2				
2	49--20	12	0727-1	2				
2	49--21	12	0727-1	2				
2	49--22	12	0727-1	2				
2	49--23	12	0727-1	2				
2	49--24	12	0727-1	2				
2	49--25	12	0727-1	2				
2	49--26	12	0727-1	2				
2	49--27	12	0727-1	2				
2	49--28	12	0727-1	2				
2	49--29	12	0727-1	2				
2	49--30	12	0727-1	2				
2	49--31	12	0727-1	2				
2	49--32	12	0727-1	2				
2	49--33	12	0727-1	2				
2	49--34	12	0727-1	2				
2	49--35	12	0727-1	2				
2	49--36	12	0727-1	2				
2	49--37	12	0727-1	2				
2	49--38	12	0727-1	2				
2	49--39	12	0727-1	2				
2	49--40	12	0727-1	2				
2	49--41	12	0727-1	2				
2	49--42	12	0727-1	2				
2	49--43	12	0727-1	2				
2	49--44	12	0727-1	2				
2	49--45	12	0727-1	2				
2	49--46	12	0727-1	2				
2	49--47	12	0727-1	2				
2	49--48	12	0727-1	2				
2	49--49	12	0727-1	2				
2	49--50	12	0727-1	2				
2	49--51	12	0727-1	2				
2	49--52	12	0727-1	2				
2	49--53	12	0727-1	2				
2	49--54	12	0727-1	2				
2	49--55	12	0727-1	2				
2	49--56	12	0727-1	2				
2	49--57	12	0727-1	2				
2	49--58	12	0727-1	2				
2	49--59	12	0727-1	2				
2	49--60	12	0727-1	2				
2	49--61	12	0727-1	2				
2	49--62	12	0727-1	2				
2	49--63	12	0727-1	2				
2	49--64	12	0727-1	2				
2	49--65	12	0727-1	2				
2	49--66	12	0727-1	2				
2	49--67	12	0727-1	2				
2	49--68	12	0727-1	2				
2	49--69	12	0727-1	2				
2	49--70	12	0727-1	2				
2	49--71	12	0727-1	2				
2	49--72	12	0727-1	2				
2	49--73	12	0727-1	2				
2	49--74	12	0727-1	2				
2	49--75	12	0727-1	2				
2	49--76	12	0727-1	2				
2	49--77	12	0727-1	2				
2	49--78	12	0727-1	2				
2	49--79	12	0727-1	2				
2	49--80	12	0727-1	2				
2	49--81	12	0727-1	2				
2	49--82	12	0727-1	2				
2	49--83	12	0727-1	2				
2	49--84	12	0727-1	2				
2	49--85	12	0727-1	2				
2	49--86	12	0727-1	2				
2	49--87	12	0727-1	2				
2	49--88	12	0727-1	2				
2	49--89	12	0727-1	2				
2	49--90	12	0727-1	2				
2	49--91	12	0727-1	2				
2	49--92	12	0727-1	2				
2	49--93	12	0727-1	2				
2	49--94	12	0727-1	2				
2	49--95	12	0727-1	2				
2	49--96	12	0727-1	2				
2	49--97	12	0727-1	2				
2	49--98	12	0727-1	2				
2	49--99	12	0727-1	2				
2	49--100	12	0727-1	2				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	49--13	12	1839-1	1		3089	2788	301
2	49--14	12	0927-1	1		2318	2058	260
2	49--15	12	0927-1	1		2573	2169	404
2	49--16	12	1839-1	1		2843	2654	189
2	49--17	12	1839-1	1		3155	2849	306
2	49--18	12	1837-1	1		3570	3135	435
2	49--19	12	0867-1	1		3960	3712	248
2	49--20	12	1639-1	33				
2	49--21	12	0927-1	1		2440	2168	272
2	49--22	12	0867-0	31				
2	49--23	12	1211-0	31				
2	49--24	12	1837-1	2	8	2912	2660	252
2	49--25	12	1837-1	2	8	2898	2646	252
2	49--26	12	0927-1	2	8	2392	2121	271
2	49--27	12	1837-1	1		2758	2657	101
2	49--28	12	0927-1	2	8	2483	2152	331
2	49--29	12	1839-0	31		2620	2280	340
2	49--30	12	1135-1	1		4401	3984	417
2	49--31	12	1611-0	31				
2	49--32	12	0867-1	1				
2	50--01	12	1837-1	33				
2	50--02	12	1569-1	1		2551	2380	171
2	50--03	12	0769-1	2	8	2265	2009	256
2	50--04	12	0735-1	2	8	2281	2029	252
2	50--05	12	1635-1	2	8	3154	2889	265
2	50--06	12	0867-1	1		4070	3587	483
2	50--07	12	1867-1	1		3398	3285	113
2	50--08	12	1169-1	1		2522	2225	297
2	50--09	12	1839-1	33				
2	50--10	12	1837-1	2	8	2880	2624	256
2	50--11	12	0867-1	1		3947	3558	389
2	50--12	12	0867-1	1		3900	3662	238
2	50--13	12	1569-1	1		2465	2273	192

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DEALER - BRUDER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	50--14	12	1111-1	33		2703	2392	311
2	50--15	12	1669-1	1		2547	2200	347
2	50--16	12	0927-1	1		2540	2200	340
2	50--17	12	0927-1	1		2523	2160	363
2	50--18	12	0927-1	1	8	2317	2045	272
2	50--19	12	0927-1	2	8	2335	2065	270
2	50--20	12	0927-1	2	8	2213	1955	258
2	50--21	12	0769-1	2	8	2251	1977	274
2	50--22	12	0727-1	1		2475	2211	264
2	50--23	12	0927-1	1				
2	50--24	12	1837-0	31		3870	3575	295
2	50--25	12	0867-1	1		2834	2580	254
2	50--26	12	1837-1	2	8	3779	3716	63
2	50--27	12	0867-1	1		3007	2738	269
2	50--28	12	1635-1	1		2516	2122	394
2	50--29	12	0927-1	1				
2	50--30	12	1235-0	31		2361	2037	324
2	50--31	12	0927-1	1		2408	2193	215
2	50--32	12	0927-1	1		2523	2211	312
2	51--01	12	0927-1	1		2135	1863	272
2	51--04	12	0727-1	2	8	3210	2944	266
2	51--05	12	1845-1	2	8	2441	2188	253
2	51--06	12	0927-1	2	8	3244	2982	262
2	51--07	12	1869-1	1		2478	2168	310
2	51--08	12	0927-1	1		2310	2033	277
2	51--09	12	0769-1	1		2941	2704	237
2	51--10	12	1839-1	1		2620	2427	193
2	51--11	12	1611-1	1				
2	51--12	12	1830-1	33				
2	51--13	12	1867-1	33				
2	51--14	12	0927-1	33				
2	51--15	12	0927-1	33				
2	51--16	12	0927-1	33				
2	51--17	12	0927-1	33				
2	51--18	12	0927-1	33				
2	51--19	12	0927-1	33				
2	51--20	12	0927-1	33				
2	51--21	12	0927-1	33				
2	51--22	12	0927-1	33				
2	51--23	12	0927-1	33				
2	51--24	12	0927-1	33				
2	51--25	12	0927-1	33				
2	51--26	12	0927-1	33				
2	51--27	12	0927-1	33				
2	51--28	12	0927-1	33				
2	51--29	12	0927-1	33				
2	51--30	12	0927-1	33				
2	51--31	12	0927-1	33				
2	51--32	12	0927-1	33				
2	51--33	12	0927-1	33				
2	51--34	12	0927-1	33				
2	51--35	12	0927-1	33				
2	51--36	12	0927-1	33				
2	51--37	12	0927-1	33				
2	51--38	12	0927-1	33				
2	51--39	12	0927-1	33				
2	51--40	12	0927-1	33				
2	51--41	12	0927-1	33				
2	51--42	12	0927-1	33				
2	51--43	12	0927-1	33				
2	51--44	12	0927-1	33				
2	51--45	12	0927-1	33				
2	51--46	12	0927-1	33				
2	51--47	12	0927-1	33				
2	51--48	12	0927-1	33				
2	51--49	12	0927-1	33				
2	51--50	12	0927-1	33				
2	51--51	12	0927-1	33				
2	51--52	12	0927-1	33				
2	51--53	12	0927-1	33				
2	51--54	12	0927-1	33				
2	51--55	12	0927-1	33				
2	51--56	12	0927-1	33				
2	51--57	12	0927-1	33				
2	51--58	12	0927-1	33				
2	51--59	12	0927-1	33				
2	51--60	12	0927-1	33				
2	51--61	12	0927-1	33				
2	51--62	12	0927-1	33				
2	51--63	12	0927-1	33				
2	51--64	12	0927-1	33				
2	51--65	12	0927-1	33				
2	51--66	12	0927-1	33				
2	51--67	12	0927-1	33				
2	51--68	12	0927-1	33				
2	51--69	12	0927-1	33				
2	51--70	12	0927-1	33				
2	51--71	12	0927-1	33				
2	51--72	12	0927-1	33				
2	51--73	12	0927-1	33				
2	51--74	12	0927-1	33				
2	51--75	12	0927-1	33				
2	51--76	12	0927-1	33				
2	51--77	12	0927-1	33				
2	51--78	12	0927-1	33				
2	51--79	12	0927-1	33				
2	51--80	12	0927-1	33				
2	51--81	12	0927-1	33				
2	51--82	12	0927-1	33				
2	51--83	12	0927-1	33				
2	51--84	12	0927-1	33				
2	51--85	12	0927-1	33				
2	51--86	12	0927-1	33				
2	51--87	12	0927-1	33				
2	51--88	12	0927-1	33				
2	51--89	12	0927-1	33				
2	51--90	12	0927-1	33				
2	51--91	12	0927-1	33				
2	51--92	12	0927-1	33				
2	51--93	12	0927-1	33				
2	51--94	12	0927-1	33				
2	51--95	12	0927-1	33				
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2	51--97	12	0927-1	33				
2	51--98	12	0927-1	33				
2	51--99	12	0927-1	33				
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2	51--101	12	0927-1	33				
2	51--102	12	0927-1	33				
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2	51--114	12	0927-1	33				
2	51--115	12	0927-1	33				
2	51--116	12	0927-1	33				
2	51--117	12	0927-1	33				
2	51--118	12	0927-1	33				
2	51--119	12	0927-1	33				
2	51--120	12	0927-1	33				
2	51--121	12	0927-1	33				
2	51--122	12	0927-1	33				
2	51--123	12	0927-1	33				
2	51--124	12	0927-1	33				
2	51--125	12	0927-1	33				
2	51--126	12	0927-1	33				
2	51--127	12	0927-1	33				
2	51--128	12	0927-1	33				
2	51--129	12	0927-1	33				
2	51--130	12	0927-1	33				
2	51--131	12	0927-1	33				
2	51--132	12	0927-1	33				
2	51--133	12	0927-1	33				
2	51--134	12	0927-1	33				
2	51--135	12	0927-1	33				
2	51--136	12	0927-1	33				
2	51--137	12	0927-1	33				
2	51--138	12	0927-1	33				
2	51--139	12	0927-1	33				
2	51--140	12	0927-1	33				
2	51--141	12	0927-1	33				
2	51--142	12	0927-1	33				
2	51--143	12	0927-1	33				
2	51--144	12	0927-1	33				
2	51--145	12	0927-1	33				
2	51--146	12	0927-1	33				
2	51--147	12	0927-1	33				
2	51--148	12	0927-1	33				
2	51--149	12	0927-1	33				
2	51--150	12	0927-1	33				
2	51--151	12	0927-1	33				
2	51--152	12	0927-1	33				
2	51--153	12	0927-1	33				
2	51--154	12	0927-1	33				
2	51--155	12	0927-1	33				
2	51--156	12	0927-1	33				
2	51--157	12	0927-1	33				
2	51--158	12	0927-1	33				
2	51--159	12	0927-1	33				
2	51--160	12	0927-1	33				
2	51--161	12	0927-1	33				
2	51--162	12	0927-1	33				
2	51--163	12	0927-1	33				
2	51--164	12	0927-1	33				
2	51--165	12	0927-1	33				
2	51--166	12	0927-1	33				
2	51--167	12	0927-1	33				
2	51--168	12	0927-1	33				
2	51--169	12	0927-1</					

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALES	OUTLET NO.	NETTING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
2	51--18	12	1211-0	31				
2	51--19	12	1839-1	1		2874	2629	245
2	51--20	12	1669-1	1		2736	2448	286
2	51--21	12	1837-1	2	8	2742	2489	253
2	51--22	12	1837-1	1		2881	2637	244
2	51--23	12	0735-1	1		2516	2241	275
2	51--24	12	1867-1	1		3172	2966	206
2	51--25	12	1839-1	1		2962	2756	206
2	51--26	12	0927-1	1		2564	2165	399

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[fol. 1542] SUMMARY TABLE		DEALER - BRUDER	-----AVERAGES-----	
TYPE OF SALE	NO. OF SALES	MEDIAN MARKUP	ARITHMETIC MEAN MARKUP	
1	600	231	254	
2	239	251	244	
SUBTOTAL	839			
31	82			
32	5			
33	337			
34				
35				
SUBTOTAL	424			
OTHER				
TOTAL	1,263			

DEALER NO.	PG.	LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	1	01	1	0769-0	1		2547	2070	477
3	1	02	1	1611-0	1		2533	2276	257
3	1	03	1	1835-0	35				
3	1	04	1	1619-0	1		2545	2420	125
3	1	05	1	1611-0	33				
3	1	06	1	0569-0	1		2145	1865	280
3	1	07	1	1837-0	2	11	2933	2619	314
3	1	08	1	1839-0	2	11	3102	2795	307
3	1	09	1	1635-0	1		3125	2890	235
3	1	10	1	0769-0	1		2276	1956	320
3	1	11	1	1635-0	33				
3	1	12	1	0569-0	1		2193	1934	259
3	1	13	1	1837-0	35		2233	1873	360
3	1	14	1	0569-0	1				
3	1	15	1	1635-0	35				
3	1	16	1	1837-0	35				
3	1	17	1	1619-0	1		2525	2360	165
3	1	18	1	1119-0	33				
3	1	19	1	1839-0	33				
3	1	20	1	1537-0	1		3035	2675	360
3	1	21	1	1619-0	1		2613	2395	218
3	1	22	1	0769-0	35				
3	1	23	1	0769-0	1		2030	1870	160
3	1	24	1	0769-0	1		2196	1935	261
3	1	25	1	0769-0	1		2387	2039	348
3	1	26	1	0769-0	1	11	2449	2078	371
3	1	27	1	1837-0	2		2662	2548	114
3	1	28	1	1619-0	1	11	2680	2405	215
3	1	29	1	1611-0	2	11	2584	2316	268
3	1	30	1	1511-0	2	11	2343	2034	309
3	1	31	1	1611-0	1		2603	2287	316
3	1	32	1	1837-0	2	11	2614	2354	240
3	2	01	1	1837-0	33				

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	2--02	1	1611-0	1		2592	2379	213
3	2--03	1	1837-0	33				
3	2--04	1	0769-0	33				
3	2--05	1	1235-0	1		2668	2555	113
3	2--06	1	0569-0	1		2360	2003	357
3	2--07	1	0769-0	1		2233	2101	132
3	2--08	1	1819-0	33				
3	2--09	1	0769-0	1		2387	2046	341
3	2--10	1	1837-0	2	11	2938	2676	262
3	2--11	1	1837-0	34	11			
3	2--12	1	1645-0	2	11	3168	2871	297
3	2--13	1	0769-0	2	11	2165	1871	294
3	2--14	1	0769-0	2	11	2121	1868	253
3	2--15	1	0769-0	33				
3	2--16	1	0769-0	1		2428	2062	366
3	2--17	1	1837-0	1		2592	2336	256
3	2--18	1	1837-0	2	11	2870	2673	197
3	2--19	1	0769-0	34	12			
3	2--20	1	1619-0	1		2720	2491	229
3	2--21	1	1119-0	33				
3	2--22	1	1835-0	32				
3	2--23	1	1837-0	1		2878	2620	258
3	2--24	1	1111-0	1		2197	1959	238
3	2--25	1	0769-0	32				
3	2--26	1	1837-0	1		2847	2566	281
3	2--27	1	1837-0	1		2972	2719	253
3	2--28	1	0769-0	1		2279	2037	242
3	2--29	1	1635-0	1		3146	2840	306
3	2--30	1	1839-0	1		2848	2575	273
3	2--31	1	0769-0	1		2314	2056	258
3	2--32	1	1519-0	1		2323	2096	227
3	2--33	1	0769-0	1		2323	2071	251

NET

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	3--03	1	0769-0	1		2339	2069	270
3	3--04	1	1839-0	1		3043	2767	276
3	3--05	1	1111-0	2	7	2402	2121	281
3	3--06	1	1611-0	1		2549	2209	340
3	3--07	1	0769-0	1		2385	1951	434
3	3--08	1	1611-0	2	7	2598	2348	250
3	3--09	1	0769-0	1		2309	2039	270
3	3--10	1	0769-0	1		2087	1926	161
3	3--11	1	0769-0	1		2187	2082	105
3	3--12	1	1837-0	35				
3	3--13	1	1619-0	33				
3	3--14	1	0769-0	33				
3	3--15	1	0769-0	33				
3	3--16	1	1519-0	35				
3	3--17	1	0867-0	33				
3	3--18	1	1837-0	2	11	2712	2399	313
3	3--19	1	1867-0	1		3007	2788	219
3	3--20	1	1867-0	2	11	3123	2874	249
3	3--21	1	1839-0	1		2799	2604	195
3	3--22	1	1839-0	2	11	2904	2599	305
3	3--23	1	1111-0	2	11	2257	1964	293
3	3--24	1	1837-0	33				
3	3--25	1	1837-0	1				
3	3--26	1	1611-9	31		3105	2733	372
3	3--27	1	1619-0	1				
3	3--28	1	1839-0	1		2785	2497	288
3	3--29	1	1839-0	1		2793	2586	207
3	3--30	1	1835-0	2	11	3194	2872	322
3	3--31	1	1839-0	1		3040	2899	141
3	3--32	1	1645-0	1		2927	2792	135
3	4--01	1	1111-0	1		3104	2959	205
3	4--02	1	1837-0	1		2234	1961	273
3	4--03	1	1111-0	1		2983	2722	261
3						2346	2124	222

SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	4--04	1	1635-0	1		2955	2812	143
3	4--05	1	0769-0	1		2249	2037	212
3	4--06	1	0867-0	1		4019	3668	351
3	4--07	1	1837-0	1		3012	2728	284
3	4--08	1	1611-0	1		2614	2363	251
3	4--09	1	1867-0	1		3093	2921	172
3	4--10	1	0769-0	1		2409	2087	322
3	4--11	1	1837-0	1		2645	2533	112
3	4--12	1	1837-0	1		3112	2767	345
3	4--13	1	1837-0	33				
3	4--14	1	0769-0	1		2160	1921	239
3	4--15	1	1111-0	1		2187	1926	261
3	4--16	1	1837-0	1		2571	2358	213
3	4--17	1	0769-0	2		2345	2092	253
3	4--18	1	1837-0	1		2723	2585	138
3	4--19	1	1121-0	33				
3	4--20	1	1215-0	33				
3	4--21	1	1837-0	1		2903	2738	165
3	4--22	1	1619-0	1		2685	2464	221
3	4--23	1	1837-0	1		2856	2630	226
3	4--24	1	1837-0	1		2933	2617	316
3	4--25	1	0769-0	1		2176	1981	195
3	4--26	1	1511-0	1		2466	2192	274
3	4--27	1	1645-0	1		3205	2891	314
3	4--28	1	0769-0	1		2371	2101	270
3	4--29	1	1111-0	1		2403	2109	294
3	4--30	1	1111-0	1		2285	2119	166
3	4--31	1	1619-0	1		2708	2487	221
3	4--32	1	1837-0	1		2822	2610	212
3	5--01	1	1837-0	1		2757	2597	160
3	5--02	1	1837-0	1		2761	2629	132
3	5--03	1	1837-0	1		2685	2474	209
3	5--04	1	1837-0	1		2685	2474	209

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NET

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	5--05	1	0569-0	1		2364	1992	372
3	5--06	1	0769-0	1		2175	2067	108
3	5--07	1	0769-0	1		2134	1943	191
3	5--08	1	0569-0	2	11	2123	1824	299
3	5--09	1	1867-0	35				
3	5--10	1	1211-0	2	7	2495	2189	306
3	5--11	1	1635-0	34	11			
3	5--12	1	0569-0	34	11			
3	5--13	1	0769-0	33				
3	5--14	1	0769-0	2	1	2321	2075	246
3	5--15	1	1635-0	34	12			
3	5--16	1	1867-0	1		3140	2940	200
3	5--17	1	0769-0	34	11			
3	5--18	1	1837-0	1		2915	2660	255
3	5--19	1	1837-0	1		2893	2574	319
3	5--20	1	1611-0	1		2321	2208	113
3	5--21	1	1635-0	1		2847	2612	235
3	5--22	1	1635-0	1		2983	2853	130
3	5--23	1	1837-0	33				
3	6--01	2	0867-0	1		4161	3831	330
3	6--02	2	1839-0	1		2827	2633	194
3	6--03	2	1837-0	1		2912	2713	199
3	6--04	2	1635-0	34				
3	6--05	2	1645-0	1	7	3559	3318	241
3	6--06	2	1837-0	1		2840	2607	233
3	6--07	2	1219-0	35				
3	6--08	2	1837-0	35				
3	6--09	2	1135-0	1		2468	2273	195
3	6--10	2	1635-0	1		3011	2842	169
3	6--11	2	1837-0	33				
3	6--12	2	0769-0	2	11	2306	2053	253
3	6--13	2	0769-0	1		2220	2053	167
3	6--14	2	0769-0	1		2300	2072	228

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	6--15	2	0769-0	1		2382	2110	272
3	6--16	2	0769-0	1		2447	2092	355
3	6--17	2	0769-0	1		2164	2037	127
3	6--18	2	1837-0	1		2896	2613	283
3	6--19	2	1839-0	1		3033	2759	274
3	6--20	2	1511-0	1		2507	2237	270
3	6--21	2	1135-0	33				
3	6--22	2	0769-0	35				
3	6--23	2	0769-0	1		2505	2101	404
3	6--24	2	0769-0	1	7	2313	2085	228
3	6--25	2	0769-0	2	7	2235	2045	190
3	6--26	2	1637-0	2	7	2863	2534	329
3	6--27	2	1637-0	34	12			
3	6--28	2	1645-0	33				
3	6--29	2	1111-0	35				
3	6--30	2	1837-0	2	1	3135	2821	314
3	6--31	2	1837-0	1		2788	2675	113
3	6--32	2	1611-0	2	7	2539	2226	313
3	7--01	2	1837-0	33				
3	7--02	2	1635-0	2	7	2952	2698	254
3	7--03	2	1219-0	2	7	2669	2397	272
3	7--04	2	1519-0	1		2564	2355	209
3	7--05	2	1837-0	33				
3	7--06	2	1619-0	1		2634	2393	241
3	7--07	2	1645-0	1		3133	2918	215
3	7--08	2	1237-0	1		2938	2727	211
3	7--09	2	0769-0	35				
3	7--10	2	0769-0	1		2564	2108	456
3	7--11	2	0769-0	33				
3	7--12	2	1119-0	1		2393	2074	319
3	7--13	2	1119-0	1		2240	2047	213
3	7--14	2	1119-0	1		2745	2440	305
3	7--15	2	1119-0	1		2745	2440	305

DEALER NO. MODEL NO. PG. - LINE NO. MONTH SOLD TYPE OF SALE OUTLET NO. NET SELLING PRICE TO CUSTOMER DEALER INVOICE MARKUP

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2440
2788

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	7--16	2	1619-0	2	1	2640	2381	259
3	7--17	2	1635-0	2	11	3055	2724	331
3	7--18	2	1839-0	1		2879	2659	220
3	7--19	2	1837-0	1		3371	3137	234
3	7--20	2	1837-0	34	12			
3	7--21	2	1837-0	34	12			
3	7--22	2	1837-0	34	11			
3	7--23	2	0769-0	2		2315	2037	278
3	7--24	2	1645-0	33				
3	7--25	2	1819-0	35				
3	7--26	2	1837-0	35				
3	7--27	2	1737-0	2	11	2720	2459	261
3	7--28	2	0769-0	1		2417	2081	336
3	7--29	2	0769-0	1		2413	2096	317
3	7--30	2	0867-0	1		3689	3337	352
3	7--31	2	1837-0	33				
3	7--32	2	1121-0	32				
3	8--01	2	1837-0	1		2569	2412	157
3	8--02	2	1635-9	31				
3	8--03	2	1639-9	31				
3	8--04	2	0769-0	1		2536	2105	431
3	8--05	2	0769-0	1		2278	2078	200
3	8--06	2	1611-0	1		2813	2508	305
3	8--07	2	1119-0	33				
3	8--08	2	1837-0	1		2772	2550	222
3	8--09	2	1837-0	1		2764	2694	270
3	8--10	2	0729-0	1		2247	2041	206
3	8--11	2	0769-0	35				
3	8--12	2	1839-0	1		2932	2557	375
3	8--13	2	1111-0	1	12	2160	1961	199
3	8--14	2	1839-0	34				
3	8--15	2	1111-0	1		2404	2199	205
3	8--16	2	1619-0	1		2590	2465	125
3	8--16	2	1119-0	1		2370	2132	238

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	8--17	2	1519-0	1		2660	2407	253
3	8--18	2	1619-0	1		2470	2335	135
3	8--19	2	1867-0	1		3143	2775	370
3	8--20	2	1837-0	2	11	3000	2696	304
3	8--21	2	1837-0	33				
3	8--22	2	1839-0	33				
3	8--23	2	1645-0	1		3141	2818	323
3	8--24	2	1119-0	1		2517	2255	262
3	8--25	2	1115-0	33				
3	8--26	2	1839-0	1		3067	2751	316
3	8--27	2	0569-0	1		2149	1893	256
3	8--28	2	1837-0	33				
3	8--29	2	0867-0	33				
3	8--30	2	1119-0	1		2130	1957	173
3	8--31	2	0769-0	33				
3	8--32	2	1835-0	1		3076	2861	215
3	9--01	2	1837-0	33				
3	9--02	2	0769-0	1		2361	2102	259
3	9--03	2	1611-0	1		2654	2422	232
3	9--04	2	1839-0	1		3009	2796	213
3	9--05	2	1645-0	33				
3	9--06	2	1837-0	1		2785	2581	204
3	9--07	2	1645-0	1		3145	2956	189
3	9--08	2	1839-0	33				
3	9--09	2	1519-0	1		2511	2279	232
3	9--10	2	1837-0	35				
3	9--11	2	0769-0	1		2293	2087	206
3	9--12	2	0768-0	1		2335	2070	265
3	9--13	2	0637-0	1		2277	2106	171
3	9--14	2	0637-0	1		3310	3086	224
3	9--15	2	0769-0	1	11	2357	2053	304
3	9--16	2	0769-0	2	11	2342	2101	241
3	9--17	2	0769-0	2		2342	2072	270

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	9--18	2	1119-0	1		2318	2202	116
3	9--19	2	1111-0	33				
3	9--20	2	1211-0	1		2825	2421	404
3	9--21	2	1835-0	1		3366	3110	256
3	9--22	2	1837-0	1		3025	2850	175
3	9--23	2	1837-0	1		2538	2322	216
3	9--24	2	1837-0	2		3020	2686	334
3	9--25	2	1611-0	33	11			
3	9--26	2	1837-0	1		2773	2626	147
3	9--27	2	1837-0	1		2773	2548	225
3	9--28	2	1619-0	1		2513	2380	133
3	9--29	2	0769-0	1		2206	2078	128
3	9--30	2	1135-0	1		2416	2276	140
3	9--31	2	1837-0	33				
3	9--32	2	0727-0	1		2284	2043	241
3	10--01	2	1219-0	33				
3	10--02	2	1635-0	1		2840	2684	156
3	10--03	2	0769-0	1		2419	2101	318
3	10--04	2	1837-0	1		2906	2672	234
3	10--05	2	1837-0	1		2810	2692	118
3	10--06	2	1635-0	34	12			
3	10--07	2	1837-0	1		2742	2467	275
3	10--08	2	1235-0	33				
3	10--09	2	0769-0	1		2341	2087	254
3	10--10	2	1611-0	1		2688	2425	263
3	10--11	2	0867-0	1		3741	3564	177
3	10--12	2	1619-0	1		2303	2164	144
3	10--13	2	0769-0	33				
3	10--14	2	1111-0	1		2375	2109	266
3	10--15	2	1837-0	1		2675	2544	131
3	10--16	2	1837-0	1		2705	2597	108
3	10--17	2	1839-9	31				
3	10--18	2	0867-0	35				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	10-19	2	1839-0	1		2834	2616	218
3	10-20	2	1111-0	1		2187	2031	156
3	10-21	2	1839-0	1		2657	2542	115
3	10-22	2	0769-0	1		2156	2053	103
3	10-23	2	1837-0	2	7	2833	2625	208
3	10-24	2	1837-0	35				
3	10-25	2	1119-0	2	11	2447	2247	200
3	10-26	2	1837-0	2	7	2915	2613	302
3	10-27	2	1837-0	1		2914	2653	261
3	10-28	2	1867-0	1		3042	2819	223
3	10-29	2	1211-0	33				
3	10-30	2	1837-0	1		3002	2745	257
3	10-31	2	0769-0	1		2205	2101	104
3	10-32	2	0769-0	1		2459	2101	358
3	11-01	2	1837-0	1		3215	2767	448
3	11-02	2	1839-0	33				
3	11-03	2	1837-0	33				
3	11-04	2	1519-0	34	12			
3	11-05	2	1837-0	33				
3	11-06	2	1519-0	33				
3	11-07	2	1839-0	2	11	2947	2690	257
3	11-08	2	1837-0	2	11	2718	2486	232
3	11-09	2	1835-0	2	11	3232	2962	270
3	11-10	2	1635-0	2	11	2833	2620	213
3	11-11	2	0769-0	1		2204	2101	103
3	11-12	2	1511-0	1		2193	2015	178
3	11-13	2	0727-0	33		2336	2057	179
3	11-14	2	0727-0	1				
3	11-15	2	0727-0	33		2292	2057	235
3	11-16	2	0769-0	1		2093	1949	144
3	11-17	2	1837-0	3		2744	2444	299
3	11-18	2	1837-0	3				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	11-20	2	1545-0	1		2957	2715	242
3	11-21	2	1839-0	33				
3	11-22	2	1839-0	1		2858	2604	254
3	12-01	3	1837-0	1		2773	2593	180
3	12-02	3	1837-0	1		2789	2565	224
3	12-03	3	1837-0	1		2775	2623	152
3	12-04	3	0769-0	1		2418	2082	336
3	12-05	3	0727-0	1		2291	2047	244
3	12-06	3	0727-0	1		2281	2034	247
3	12-07	3	0727-0	1		2199	1919	280
3	12-08	3	0769-0	1		2300	2092	208
3	12-09	3	1645-0	1		3089	2845	244
3	12-10	3	1119-0	1		2431	2242	189
3	12-11	3	1839-0	1		2932	2675	257
3	12-12	3	1837-0	1		3039	2735	304
3	12-13	3	1657-0	1		3250	2965	285
3	12-14	3	1837-0	1		3150	2719	431
3	12-15	3	0769-0	1		2302	2101	201
3	12-16	3	0769-0	1		2298	2080	218
3	12-17	3	1837-0	1		2974	2751	223
3	12-18	3	1839-0	33				
3	12-19	3	1219-0	1		2407	2240	167
3	12-20	3	1867-0	33				
3	12-21	3	1119-0	1		2227	2011	216
3	12-22	3	1111-0	1		2454	2033	421
3	12-23	3	1635-0	1		3019	2782	237
3	12-24	3	1839-0	33				
3	12-25	3	1837-0	1		2727	2598	129
3	12-26	3	1837-0	1		2788	2584	204
3	12-27	3	1837-0	1		2818	2572	246
3	12-28	3	1837-0	1		2657	2492	165
3	12-29	3	1119-0	1		2223	2017	206
3	12-30	3	1111-0	1		2196	1993	203

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

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MARKUP

DEALER
INVOICENET
SELLING
PRICE TO
CUSTOMEROUTLET
NO.*TYPE OF
SALE*MODEL NO.
AND
YEARMONTH
SOLD

PG. - LINE NO.

DEALER
NO.

3	12--31	3	1837-0	35			2834	2657	177
3	12--32	3	1135-0	33			2590	2402	188
3	13--01	3	1837-0	35					
3	13--02	3	1119-0	35					
3	13--03	3	1839-0	1					
3	13--04	3	1135-0	1					
3	13--05	3	1837-0	35			2777	2563	214
3	13--06	3	1739-0	1			2079	1831	248
3	13--07	3	0569-0	1			2282	2032	250
3	13--08	3	0727-0	1			2893	2664	229
3	13--09	3	1837-0	1					
3	13--10	3	1835-0	33					
3	13--11	3	1839-0	1			3023	2706	317
3	13--12	3	1837-0	1			2837	2704	133
3	13--13	3	0727-0	1			2333	1992	341
3	13--14	3	0769-0	1			2225	2026	199
3	13--15	3	0769-0	1			2005	1943	62
3	13--16	3	0527-0	1			2215	1939	276
3	13--17	3	1119-0	34					
3	13--18	3	0727-0	1		12	2253	2048	205
3	13--19	3	0727-0	1			2172	2056	116
3	13--20	3	1839-0	2		11	2968	2706	262
3	13--21	3	1635-0	1			2897	2782	115
3	13--22	3	1519-0	1			2596	2392	204
3	13--23	3	1611-0	2		7	2417	2154	263
3	13--24	3	1839-0	34		12			
3	13--25	3	1135-0	1			2608	2378	230
3	13--26	3	1645-0	33					
3	13--27	3	1837-0	1			2646	2554	92
3	13--28	3	1837-0	1			3235	3049	186
3	13--29	3	1837-0	1			2732	2644	88
3	13--30	3	1837-0	1					
3	13--31	3	1837-0	1					

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	13--32	3	1837-0	33				
3	14--01	3	1637-0	2	11	2730	2417	313
3	14--02	3	1837-0	1		2736	2604	132
3	14--03	3	1737-0	1		2509	2321	188
3	14--04	3	1867-0	1		3063	2869	194
3	14--05	3	1839-0	1		2738	2629	109
3	14--06	3	0867-0	2	11	3607	3297	310
3	14--07	3	1119-0	33				
3	14--08	3	0769-0	2	10	2192	2105	87
3	14--09	3	0727-0	1		2262	2049	213
3	14--10	3	0727-0	1		2221	2039	182
3	14--11	3	1635-0	33				
3	14--12	3	1637-0	1		2703	2500	203
3	14--13	3	1111-0	1		2239	2115	124
3	14--14	3	1645-0	1		3074	2885	189
3	14--15	3	1511-0	1		2532	2400	132
3	14--16	3	1839-0	1		2964	2744	220
3	14--17	3	1235-0	1		2418	2308	110
3	14--18	3	1867-0	1		2927	2837	90
3	14--19	3	1619-0	1		2734	2520	214
3	14--20	3	0867-0	1		3863	3731	132
3	14--21	3	0769-0	1		2076	1926	150
3	14--22	3	1837-0	33				
3	14--23	3	0727-0	1		2295	2032	263
3	14--24	3	1839-0	1		2875	2625	250
3	14--25	3	1837-0	1		2757	2671	86
3	14--26	3	0867-0	1		3705	3522	183
3	14--27	3	1535-0	1		2625	2509	116
3	14--28	3	1645-0	1		2722	2554	168
3	14--29	3	0769-0	1		2236	1993	243
3	14--30	3	1839-0	1		3094	2927	167
3	14--31	3	0769-0	33				
3	14--32	3	1837-0	2	11	2803	2599	204

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DEALER - CITIZENS

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DEALER NO.	LOG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	15-01	3	0867-0	34	12	2832	2639	193
3	15-02	3	1837-0	1		2939	2751	188
3	15-03	3	1839-0	1		4490	3927	563
3	15-04	3	0867-0	1		2850	2657	193
3	15-05	3	1837-0	1				
3	15-06	3	0769-0	33				
3	15-07	3	1837-0	33				
3	15-08	3	0727-0	1		2110	1928	182
3	15-09	3	1119-0	2	11	2146	1936	210
3	15-10	3	1111-0	1		2098	1979	119
3	15-11	3	1837-0	1		2826	2635	191
3	15-12	3	1867-0	33				
3	15-13	3	1837-0	1		3203	3080	123
3	15-14	3	1837-0	1		2783	2568	215
3	15-15	3	0727-0	1		2043	1902	141
3	15-16	3	0727-0	1		2134	2057	77
3	15-17	3	0727-0	1		2201	2068	133
3	15-18	3	1839-0	1		2634	2520	114
3	15-19	3	1737-0	1		2563	2397	166
3	15-20	3	1219-0	1		2428	2215	213
3	15-21	3	1519-0	1		2142	2048	94
3	15-22	3	0769-0	1		2261	2114	147
3	15-23	3	0769-0	1		2181	2086	95
3	15-24	3	0569-0	1		2037	1952	85
3	15-25	3	0569-0	1		2087	1996	91
3	15-26	3	0727-0	1		2159	2057	102
3	15-27	3	1211-0	35				
3	15-28	3	1835-0	1	10	3080	2878	202
3	15-29	3	1839-0	2		2650	2562	88
3	15-30	3	0769-0	1		2252	2092	200
3	15-31	3	0727-0	1		2252	2092	200
3	15-32	3	0727-0	1		2252	2092	200
3	15-33	3	0727-0	1		2252	2092	200
3	15-34	3	0727-0	1		2252	2092	200
3	15-35	3	0727-0	1		2252	2092	200

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SELLING

MODEL NO.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	16--02	3	1837-0	33		2890	2653	237
3	16--03	3	1839-0	1				
3	16--04	3	1739-0	33				
3	16--05	3	1837-0	35				
3	16--06	3	1837-0	1		2546	2441	105
3	16--07	3	1645-0	1		3130	2873	257
3	16--08	3	0569-0	1		1895	1815	80
3	16--09	3	0569-0	33				
3	16--10	3	1839-0	1		2862	2602	260
3	16--11	3	1839-0	33				
3	16--12	3	1119-0	1		2281	2121	160
3	16--13	3	1635-0	1		3356	3154	202
3	16--14	3	1637-0	1		2385	2236	149
3	16--15	3	1837-0	1		2900	2684	216
3	16--16	3	1837-0	1		3025	2754	271
3	16--17	3	1837-0	33				
3	16--18	3	0727-0	33				
3	16--19	3	1837-0	1		2733	2552	181
3	16--20	3	1835-0	1		3637	3471	166
3	16--21	3	1635-0	1		2877	2710	167
3	16--22	3	1135-0	1		2621	2465	156
3	16--23	3	1839-0	34	11			
3	16--24	3	0727-0	1		2003	1904	99
3	16--25	3	0727-0	1		2352	2063	289
3	16--26	3	1835-0	33				
3	16--27	3	1215-0	1		2605	2482	123
3	16--28	3	0867-0	2	10	3630	3487	143
3	16--29	3	1619-0	33				
3	16--30	3	0867-0	1		3735	3651	84
3	16--31	3	0527-0	1		1997	1918	79
3	16--32	3	0727-0	2	11	2219	1912	307
3	17--01	3	0727-0	1		2148	2026	122
3	17--02	3	0727-0	1		2116	1946	170

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	17--04	3	1839-0	1		2839	2675	164
3	17--05	3	0727-0	1		2169	2043	126
3	17--06	3	0769-0	1		2161	2039	122
3	17--07	3	0769-0	1		2244	2066	178
3	17--08	3	0727-0	1		2160	2023	137
3	17--09	3	1119-0	1		2083	1972	111
3	17--10	3	1839-0	1		3200	2971	229
3	17--11	3	1839-0	1		2902	2757	145
3	17--12	3	1635-0	1		3155	2843	312
3	17--13	3	0769-0	1		2355	2101	254
3	17--14	3	0769-0	1		2176	2092	84
3	17--15	3	0769-0	1		2203	2079	124
3	17--16	3	0727-0	1		2125	2017	108
3	17--17	3	1235-0	1	11	2611	2421	190
3	17--18	3	1839-0	2	11	2708	2490	218
3	17--19	3	1839-0	2		3116	2894	222
3	17--20	3	1835-0	1		3165	2956	209
3	17--21	3	1839-0	1		2826	2733	93
3	17--22	3	1119-0	1		2255	2116	139
3	17--23	3	1837-0	1		2816	2584	232
3	17--24	3	1839-0	1		2846	2662	184
3	17--25	3	1235-0	2	11	2524	2314	210
3	17--26	3	1839-0	1		2885	2661	224
3	17--27	3	1739-0	2	10	2597	2508	89
3	17--28	3	1837-0	1		2788	2650	138
3	17--29	3	1839-0	1	11	2886	2714	172
3	17--30	3	1639-0	2		2658	2459	199
3	17--31	3	0847-0	1		3703	3501	202
3	17--32	3	1635-0	1		2942	2790	152
3	17--33	3	1839-0	1		3441	3266	174
3	17--34	3	1839-0	1		3071	2924	147
3	17--35	3	1839-0	1		3071	2924	147

SELLING

MODEL NO.

PG. -	LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	18--05	3	1839-0	1		2485	2574	111
3	18--06	3	0769-0	1		2327	2119	208
3	19--01	4	1837-0	1		2981	2733	248
3	19--02	4	1837-0	1		2847	2619	228
3	19--03	4	1837-0	1		2943	2721	222
3	19--04	4	1837-0	1		2720	2549	171
3	19--05	4	1837-0	1		2792	2561	231
3	19--06	4	0727-0	1		2027	1938	89
3	19--07	4	0769-0	1		2151	1950	201
3	19--08	4	1867-0	1		3098	2921	177
3	19--09	4	0867-0	1		3692	3448	244
3	19--10	4	1215-0	1		2329	2237	92
3	19--11	4	1819-0	33				
3	19--12	4	1837-0	1		2903	2692	211
3	19--13	4	1837-0	1		2690	2601	89
3	19--14	4	1837-0	2	10	2834	2706	128
3	19--15	4	1837-0	1		2933	2639	324
3	19--16	4	1111-0	1		2031	1949	82
3	19--17	4	1635-0	1				
3	19--18	4	1837-0	33				
3	19--19	4	1535-0	33				
3	19--20	4	1837-0	1		2545	2452	93
3	19--21	4	0769-0	1		2855	2639	216
3	19--22	4	0769-0	1		2183	2036	147
3	19--23	4	0769-0	1		2243	2092	151
3	19--24	4	1835-0	1		2193	2092	101
3	19--25	4	1115-0	1		3192	2963	229
3	19--26	4	1839-0	1		2633	2436	197
3	19--27	4	1119-0	1		2911	2811	100
3	19--28	4	0867-0	1		2242	1975	267
3	19--29	4	1819-0	1		3794	3539	255
3	19--30	4	1115-0	1		2809	2626	183
3	19--31	4	1545-0	1		2602	2386	216
3						2667	2452	215

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	19--32	4	1837-0	1		2663	2521	142
3	20--01	4	1839-0	33				
3	20--02	4	1211-0	33				
3	20--03	4	1111-0	2	10	2260	2174	86
3	20--04	4	0769-0	1		2173	2034	139
3	20--05	4	1737-0	1		2628	2488	140
3	20--06	4	1819-0	35				
3	20--07	4	1111-0	1		2294	2139	155
3	20--08	4	1219-0	1		2522	2317	205
3	20--09	4	1119-0	1		2309	2095	214
3	20--10	4	0727-0	1		2209	2048	161
3	20--11	4	0867-0	2	11	3640	3337	303
3	20--12	4	0769-0	1		2362	2082	280
3	20--13	4	1837-0	1		2665	2455	210
3	20--14	4	1837-0	1		2840	2611	229
3	20--15	4	1737-0	1		2655	2447	208
3	20--16	4	1837-0	1		2820	2550	270
3	20--17	4	0769-0	1		2035	1957	78
3	20--18	4	0769-0	1		2343	1895	448
3	20--19	4	1135-0	1		2467	2364	103
3	20--20	4	1211-0	2	10	2506	2415	91
3	20--21	4	1837-0	1		2860	2661	199
3	20--22	4	1737-0	1		2670	2475	195
3	20--23	4	1839-0	1		2740	2651	89
3	20--24	4	1739-0	1		2736	2502	234
3	20--25	4	1119-0	1		2261	2142	119
3	20--26	4	1519-0	1		2270	2083	187
3	20--27	4	1835-0	1		3186	2931	255
3	20--28	4	1635-9	31				
3	20--29	4	1837-0	1		2584	2370	214
3	20--30	4	0437-0	1		2215	2101	114
3	20--31	4	0437-0	1				
3	20--32	4	0437-0	1				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	21--02	4	1839-0	1		2880	2804	76
3	21--03	4	1535-0	33				
3	21--04	4	1839-0	1		2702	2627	75
3	21--05	4	1635-0	1		3048	2817	231
3	21--06	4	1611-0	1		2645	2426	214
3	21--07	4	0727-0	33				
3	21--08	4	0727-0	1		2231	2032	199
3	21--09	4	0769-0	1		2350	2092	258
3	21--11	4	1635-0	1		3027	2787	240
3	21--12	4	1839-0	1		2863	2584	279
3	21--13	4	1837-0	1		2769	2597	172
3	21--14	4	1737-0	1		2535	2359	176
3	21--15	4	0727-0	1		2111	2020	91
3	21--16	4	1819-0	1		2648	2435	213
3	21--17	4	1837-0	1		2894	2744	150
3	21--18	4	0727-0	1		2150	2057	93
3	21--19	4	0527-0	1		2020	1830	190
3	21--20	4	1111-0	1		2179	2082	97
3	21--21	4	1737-0	1		2930	2521	409
3	21--22	4	0867-0	1		3645	3355	290
3	21--23	4	0769-0	1		2224	2101	123
3	21--24	4	1635-0	1		3280	2824	456
3	21--25	4	0569-0	1		2085	1840	245
3	21--26	4	0769-0	2	11	2305	2092	213
3	21--27	4	0727-0	2	11	2201	2044	153
3	21--28	4	0727-0	33				
3	21--29	4	0569-0	1		2136	2029	107
3	21--30	4	1837-0	34	7			
3	21--31	4	1111-0	2	11	2222	2099	123
3	21--32	4	1837-0	34	11			
3	22--01	4	1111-0	1		2149	2064	85
3	22--02	4	1835-0	1		3969	3429	540
3	22--03	4	1835-0	1		3230	2978	252

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	22--04	4	1837-0	1		2864	2634	230
3	22--05	4	1839-0	1		3303	3050	253
3	22--06	4	1635-0	1		2902	2716	186
3	22--07	4	1719-0	1		2621	2507	114
3	22--08	4	1135-0	1		2426	2316	110
3	22--09	4	1135-0	35				
3	22--10	4	1737-0	1		2593	2492	101
3	22--11	4	1635-0	2	7	3010	2862	148
3	22--12	4	1211-0	2	11	2364	2238	126
3	22--13	4	0727-0	1		2211	2048	163
3	22--14	4	1837-0	33				
3	22--15	4	1645-0	33				
3	22--16	4	1739-0	2		2795	2493	302
3	22--17	4	1837-0	1	7	2631	2541	90
3	22--18	4	1837-0	1		3066	2908	158
3	22--19	4	1867-0	1		2722	2634	88
3	22--20	4	1837-0	1				
3	22--21	4	1839-0	34	7	3015	2680	135
3	22--22	4	1637-0	1		2466	2297	169
3	22--23	4	1867-0	1		3330	3106	224
3	22--24	4	0727-0	1		2208	2057	151
3	22--25	4	0727-0	1		2175	2061	114
3	22--26	4	0727-0	1		2119	1990	129
3	22--27	4	0727-0	2	10	1970	1890	80
3	22--28	4	0727-0	1		2256	2048	208
3	22--29	4	0527-0	1		1995	1795	200
3	22--30	4	0727-0	1		2043	1924	119
3	22--31	4	0769-0	1		2258	2050	208
3	22--32	4	0727-0	2	7	2113	1922	191
3	22--33	4	0769-0	1		2237	2076	159
3	22--34	4	0769-0	1		2272	2048	147
3	22--35	4	0769-0	1		2272	2076	147
3	22--36	4	0769-0	1		2272	2076	147

SELLING

MODEL NO.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	23--05	4	0727-0	33				
3	23--06	4	0527-0	1				
3	23--07	4	0727-0	34	7	1879	1729	150
3	23--08	4	1837-0	1				
3	23--09	4	0727-0	1		2679	2589	90
3	23--10	4	0769-0	1		2040	1916	124
3	23--11	4	1837-0	1		2168	2069	99
3	24--01	5	0727-0	2	10	2840	2745	95
3	24--02	5	1837-0	1		2175	2057	118
3	24--03	5	1837-0	1		2681	2517	164
3	24--04	5	1867-0	1		3357	3178	179
3	24--05	5	1837-0	1		2731	2496	235
3	24--06	5	1837-0	1		2900	2691	209
3	24--07	5	1111-0	1		2278	2168	110
3	24--08	5	1837-0	1		2844	2629	215
3	24--09	5	1119-0	33				
3	24--10	5	1115-0	1		2360	2244	116
3	24--11	5	1737-0	33				
3	24--12	5	1635-0	1		2835	2634	201
3	24--13	5	1867-0	1		2920	2737	183
3	24--14	5	1837-0	1		2922	2754	168
3	24--15	5	1235-0	1		2663	2549	114
3	24--16	5	1837-0	1		2798	2580	218
3	24--17	5	1235-0	33				
3	24--18	5	1211-0	1		2359	2214	145
3	24--19	5	1837-0	1		2792	2673	119
3	24--20	5	0867-0	1		3645	3355	290
3	24--21	5	1867-0	1		3231	2948	283
3	24--22	5	1837-0	1		2781	2670	111
3	24--23	5	1639-0	1		2592	2502	91
3	24--24	5	1837-0	1		2613	2528	85
3	24--25	5	1867-0	33				
3	24--26	5	1839-0	1		2830	2612	218
3	24--26	5	1839-0	33				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	24--27	5	1837-0	34	11	2220	2078	142
3	24--28	5	0769-0	1		2117	2037	80
3	24--29	5	0769-0	2	10	2054	1965	89
3	24--30	5	0727-0	2	10	2154	1905	249
3	24--31	5	0727-0	1		2394	2295	99
3	24--32	5	1611-0	1		2326	2220	106
3	25--01	5	1511-0	2	6	2603	2486	117
3	25--02	5	1837-0	1		2708	2601	107
3	25--03	5	1837-0	1				
3	25--04	5	1837-0	33		3176	2963	213
3	25--05	5	1835-0	1				
3	25--06	5	1835-0	33		2888	2620	268
3	25--07	5	1837-0	1				
3	25--08	5	1837-0	33				
3	25--09	5	1739-0	35				
3	25--10	5	1111-0	1		2450	2234	216
3	25--11	5	1837-0	34	7			
3	25--12	5	0727-0	1		2170	1959	211
3	25--13	5	1635-0	34	12			
3	25--14	5	0867-0	35				
3	25--15	5	1635-0	1		2837	2610	227
3	25--16	5	1511-0	1		2206	2054	152
3	25--17	5	0727-0	1		2201	2051	150
3	25--18	5	1211-0	1		2309	2214	95
3	25--19	5	1837-0	1		2693	2537	156
3	25--20	5	1635-0	1		3072	2845	227
3	25--21	5	1837-0	1		2652	2495	157
3	25--22	5	0769-0	1		2201	2017	184
3	25--23	5	1839-0	33				
3	25--24	5	1837-0	35				
3	25--25	5	1837-0	35				
3	25--26	5	1837-0	35				
3	25--27	5	1837-0	35				
3	25--28	5	1837-0	35				
3	25--29	5	1837-0	35				
3	25--30	5	1837-0	35				
3	25--31	5	1837-0	35				
3	25--32	5	1837-0	35				
3	25--33	5	1837-0	35				
3	25--34	5	1837-0	35				
3	25--35	5	1837-0	35				
3	25--36	5	1837-0	35				
3	25--37	5	1837-0	35				
3	25--38	5	1837-0	35				
3	25--39	5	1837-0	35				
3	25--40	5	1837-0	35				
3	25--41	5	1837-0	35				
3	25--42	5	1837-0	35				
3	25--43	5	1837-0	35				
3	25--44	5	1837-0	35				
3	25--45	5	1837-0	35				
3	25--46	5	1837-0	35				
3	25--47	5	1837-0	35				
3	25--48	5	1837-0	35				
3	25--49	5	1837-0	35				
3	25--50	5	1837-0	35				
3	25--51	5	1837-0	35				
3	25--52	5	1837-0	35				
3	25--53	5	1837-0	35				
3	25--54	5	1837-0	35				
3	25--55	5	1837-0	35				
3	25--56	5	1837-0	35				
3	25--57	5	1837-0	35				
3	25--58	5	1837-0	35				
3	25--59	5	1837-0	35				
3	25--60	5	1837-0	35				
3	25--61	5	1837-0	35				
3	25--62	5	1837-0	35				
3	25--63	5	1837-0	35				
3	25--64	5	1837-0	35				
3	25--65	5	1837-0	35				
3	25--66	5	1837-0	35				
3	25--67	5	1837-0	35				
3	25--68	5	1837-0	35				
3	25--69	5	1837-0	35				
3	25--70	5	1837-0	35				
3	25--71	5	1837-0	35				
3	25--72	5	1837-0	35				
3	25--73	5	1837-0	35				
3	25--74	5	1837-0	35				
3	25--75	5	1837-0	35				
3	25--76	5	1837-0	35				
3	25--77	5	1837-0	35				
3	25--78	5	1837-0	35				
3	25--79	5	1837-0	35				
3	25--80	5	1837-0	35				
3	25--81	5	1837-0	35				
3	25--82	5	1837-0	35				
3	25--83	5	1837-0	35				
3	25--84	5	1837-0	35				
3	25--85	5	1837-0	35				
3	25--86	5	1837-0	35				
3	25--87	5	1837-0	35				
3	25--88	5	1837-0	35				
3	25--89	5	1837-0	35				
3	25--90	5	1837-0	35				
3	25--91	5	1837-0	35				
3	25--92	5	1837-0	35				
3	25--93	5	1837-0	35				
3	25--94	5	1837-0	35				
3	25--95	5	1837-0	35				
3	25--96	5	1837-0	35				
3	25--97	5	1837-0	35				
3	25--98	5	1837-0	35				
3	25--99	5	1837-0	35				
3	25--100	5	1837-0	35				

DEALER NO.	PG.	LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	25--29	5	1119-0	34	11	2803	2599	204	
3	25--30	5	1235-0	2	11	3125	2911	214	
3	25--31	5	1867-0	1		2511	2349	162	
3	25--32	5	1719-0	1		2659	2566	93	
3	26--01	5	1837-0	1		2563	2344	219	
3	26--02	5	1619-0	1		2886	2653	233	
3	26--03	5	1837-0	1		2528	2499	29	
3	26--04	5	1135-0	2	11	2929	2771	158	
3	26--05	5	1635-0	1		2931	2715	216	
3	26--06	5	1837-0	2	7	2833	2665	168	
3	26--07	5	1839-0	1		2682	2496	186	
3	26--08	5	1837-0	2	11	3125	2958	167	
3	26--09	5	1837-0	1		3207	3001	206	
3	26--10	5	1819-0	1		3577	3457	120	
3	26--11	5	1645-0	1		2467	2252	215	
3	26--12	5	1211-0	1		2866	2642	224	
3	26--13	5	1839-0	1		2831	2558	273	
3	26--14	5	1735-0	2	7				
3	26--15	5	1235-0	33					
3	26--16	5	1839-0	33					
3	26--17	5	1611-0	1		2420	2218	202	
3	26--18	5	0727-0	1		2086	2013	73	
3	26--19	5	0727-0	1		2099	1874	225	
3	26--20	5	0727-0	1		2187	2015	172	
3	26--21	5	0727-0	2		2171	2009	162	
3	26--22	5	0727-0	1	11	2191	2030	161	
3	26--23	5	1839-0	33					
3	26--24	5	0569-0	1		1994	1939	55	
3	26--25	5	0769-0	1		2132	2053	79	
3	26--26	5	0727-0	33					
3	26--27	5	0769-0	1		2156	2078	78	
3	26--28	5	1839-0	1		2749	2584	165	
3	26--29	5	1837-0	1		3022	2652	370	

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	26--30	5	0867-0	1		4048	3947	101
3	26--31	5	1111-0	1		2046	1921	125
3	26--32	5	1837-0	1		2812	2610	202
3	27--01	5	1635-0	1		3066	2831	235
3	27--02	5	1839-0	1		2844	2740	104
3	27--03	5	1111-0	1		2245	2099	146
3	27--04	5	0527-0	1		2065	1981	84
3	27--05	5	0769-0	33				
3	27--06	5	1837-0	1		2755	2664	91
3	27--07	5	1867-0	1		2968	2867	101
3	27--08	5	1111-0	2	11	2290	2093	197
3	27--09	5	1837-0	1		2713	2627	86
3	27--10	5	1837-0	1		2884	2607	277
3	27--11	5	1235-0	1		2547	2453	94
3	27--12	5	1837-0	1		2817	2608	209
3	27--13	5	1635-0	1		2981	2768	213
3	27--14	5	1837-0	1		2996	2740	256
3	27--15	5	1867-0	2	11	3282	2975	307
3	27--16	5	1519-0	1		2333	2116	217
3	27--17	5	1837-0	1		2960	2740	220
3	27--18	5	1645-0	1		2971	2740	231
3	27--19	5	0769-0	1		2229	2079	150
3	27--20	5	0727-0	1		2103	1904	199
3	27--21	5	1619-0	1		2618	2459	159
3	27--22	5	1867-0	2	10	3065	2886	179
3	27--23	5	1837-0	1		2951	2753	198
3	27--24	5	0769-0	1		2285	2076	209
3	27--25	5	0727-0	1		2145	2043	102
3	27--26	5	1839-0	1		3277	2980	297
3	27--27	5	1619-0	1		2842	2635	207
3	27--28	5	1737-0	35				
3	27--29	5	1635-0	1		3103	2820	283
3	27--30	5	1635-0	1		3103	2820	283

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	27--31	5	0727-0	33				
3	27--32	5	1839-0	1		2872	2606	266
3	28--01	5	1511-0	34	11			
3	28--02	5	0569-0	1		2061	1859	202
3	28--03	5	1645-0	32				
3	28--04	5	1839-0	1		3272	3052	220
3	28--05	5	0727-0	1		2220	2043	177
3	28--06	5	0727-0	1		2096	2018	78
3	28--07	5	0727-0	33				
3	28--08	5	0527-0	1		2034	1914	120
3	28--09	5	0727-0	1		2104	2009	95
3	28--10	5	0867-0	34	11			
3	28--11	5	0769-0	1		2155	1962	193
3	28--12	5	0769-0	1		2184	2053	131
3	28--13	5	1511-0	1		2306	2214	92
3	28--14	5	1219-0	2	11		2176	160
3	28--15	5	1837-0	1		2722	2551	171
3	28--16	5	1619-0	2	11	2414	2250	164
3	28--17	5	1219-0	2	11	2200	2035	165
3	28--18	5	0769-0	1		2151	2067	84
3	28--19	5	0569-0	1		2014	1865	149
3	28--20	5	0727-0	1		2150	2026	124
3	28--21	5	0727-0	1		2192	2057	135
3	28--22	5	0867-0	33				
3	28--23	5	1111-0	1		2258	2144	114
3	28--24	5	1111-0	1		2227	2104	123
3	28--25	5	1635-0	33				
3	28--26	5	0867-0	1		3932	3694	238
3	28--27	5	1839-0	1		2917	2709	208
3	28--28	5	1519-0	1		2614	2406	208
3	28--29	5	0727-0	1		2151	2057	94
3	28--30	5	1737-0	34	11			
3	28--31	5	1837-0	33				

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	28--32	5	1839-0	35				
3	29--01	5	1645-0	35			2672	273
3	29--02	5	1839-0	1		2945	2440	223
3	29--03	5	1619-0	1		2663	2559	221
3	29--04	5	1837-0	1		2780	2524	92
3	29--05	5	1837-0	1		2616	1914	227
3	29--06	5	0727-0	1		2141	2006	213
3	29--07	5	0727-0	1		2219	2056	290
3	29--08	5	0769-0	1		2346	2724	378
3	29--09	5	1837-0	1		3102		
3	29--10	5	1735-0	33				
3	29--11	5	1719-0	1		2435	2204	231
3	29--12	5	1839-0	1		2784	2677	107
3	29--13	5	1839-0	1		3047	2810	237
3	29--14	5	1645-0	1		3576	3322	254
3	29--15	5	1619-0	1		2480	2388	92
3	29--16	5	1839-0	35				
3	29--17	5	1837-0	35				
3	30--01	6	1867-0	2	10	2806	2705	101
3	30--02	6	1837-0	1		2691	2567	124
3	30--03	6	1611-0	1		2666	2488	178
3	30--04	6	1837-0	1		2488	2380	108
3	30--05	6	1837-0	2	10	2694	2595	99
3	30--06	6	0769-0	1		2197	2101	96
3	30--07	6	0727-0	1		2035	1832	203
3	30--08	6	0727-0	1		2155	2005	150
3	30--09	6	0927-0	1		2664	2169	495
3	30--10	6	1839-0	1		2905	2633	272
3	30--11	6	1635-0	1		2966	2726	240
3	30--12	6	1837-0	33				
3	30--13	6	0769-0	1		2218	2078	140
3	30--14	6	1835-0	1		3340	3232	108
3	30--15	6	1637-0	1		2987	2791	196

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	30--16	6	1111-0	1		2210	2090	120
3	30--17	6	0769-0	1		2386	2101	285
3	30--18	6	1235-0	1		2605	2512	93
3	30--19	6	0727-0	1		2198	2040	158
3	30--20	6	0769-0	1		2185	2078	107
3	30--21	6	1619-0	1		2542	2417	125
3	30--22	6	0727-0	1		2106	2009	97
3	30--23	6	1837-0	2	11	2873	2694	179
3	30--24	6	1645-0	2	7	2936	2805	131
3	30--25	6	1215-0	2	11	2632	2478	154
3	30--26	6	0769-0	1		2173	2088	85
3	30--27	6	0769-0	1		2228	2056	172
3	30--28	6	0769-0	1		2181	1964	217
3	30--29	6	0769-0	2	7	2127	1942	185
3	30--30	6	0727-0	2	7	2234	2009	225
3	30--31	6	0727-0	33				
3	30--32	6	0769-0	33				
3	31--01	6	1837-0	35				
3	31--02	6	1837-0	2	11	3017	2668	349
3	31--03	6	1837-0	35				
3	31--04	6	1835-0	2	11	3013	2821	192
3	31--05	6	1839-0	1		3142	3037	105
3	31--06	6	1837-0	1		3231	2810	421
3	31--07	6	1645-0	33				
3	31--08	6	0727-0	1		2125	2048	77
3	31--09	6	0769-0	1		2161	2036	125
3	31--10	6	0727-0	1		1877	1766	111
3	31--11	6	0769-0	1		2229	2092	137
3	31--12	6	1535-0	1		2745	2547	198
3	31--13	6	1519-0	1		2441	2255	186
3	31--14	6	1611-0	1		2549	2400	149
3	31--15	6	1635-0	1		2822	2716	106
3	31--16	6	1235-0	1		2594	2472	122

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	31--17	6	1635-0	2	7	2857	2683	174
3	31--18	6	1837-0	1		2899	2733	166
3	31--19	6	1835-0	33				
3	31--20	6	1837-0	33				
3	31--21	6	0867-0	1		3718	3492	226
3	31--22	6	1119-0	1		2685	2139	546
3	31--23	6	1635-0	1		2951	2748	203
3	31--25	6	0769-0	1		2127	2001	126
3	31--26	6	0569-0	1		2200	1998	202
3	31--27	6	0769-0	1		2257	2078	179
3	31--28	6	0769-0	1		2166	2075	91
3	31--29	6	0727-0	1		2104	1959	145
3	31--30	6	1837-0	1		2815	2662	153
3	31--31	6	1135-0	1		2654	2452	202
3	31--32	6	1111-0	1		2073	1947	126
3	32--01	6	1221-0	1		2105	1900	205
3	32--02	6	1535-0	1		2662	2531	131
3	32--03	6	1837-0	1		2794	2650	144
3	32--04	6	1837-0	35				
3	32--05	6	1839-0	33				
3	32--06	6	1119-0	1		2203	2011	192
3	32--07	6	1635-0	33				
3	32--08	6	1835-0	1		3158	2942	216
3	32--09	6	1867-0	1		3111	2906	205
3	32--10	6	1619-0	35				
3	32--11	6	1839-0	33				
3	32--12	6	1839-0	1		3368	3110	258
3	32--13	6	1539-0	33				
3	32--14	6	1837-0	33				
3	32--15	6	0769-0	32				
3	32--16	6	0769-0	1		2079	1987	92
3	32--17	6	0769-0	1		1949	1864	85
3	32--18	6	0527-0	33		2051	1980	71

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	32--19	6	0727-0	1		2175	2031	144
3	32--20	6	0727-0	1		2107	1965	142
3	32--21	6	0927-0	1		2424	2186	238
3	32--22	6	1837-0	1		2930	2690	240
3	32--23	6	1839-0	1		2791	2698	93
3	32--24	6	1645-0	1		3119	2941	178
3	32--25	6	1739-0	1		2661	2572	89
3	32--26	6	1837-0	1		2886	2749	137
3	32--27	6	1235-0	1		2792	2620	172
3	32--28	6	1635-0	1		2942	2750	192
3	32--30	6	0527-0	1		2063	1959	104
3	32--31	6	0727-0	35				
3	32--32	6	0727-0	1		2152	1991	161
3	33--01	6	0727-0	1		2219	2000	219
3	33--02	6	1835-0	35				
3	33--03	6	1837-0	1		2773	2625	148
3	33--04	6	1837-0	35				
3	33--05	6	1135-0	2	7	2437	2224	213
3	33--06	6	1645-0	2	7	2989	2885	104
3	33--07	6	1837-0	1		2859	2653	206
3	33--08	6	1839-0	1		2720	2627	93
3	33--09	6	1837-0	1		2660	2574	86
3	33--10	6	1837-0	1		2730	2552	178
3	33--11	6	1867-0	1		2959	2830	129
3	33--12	6	1739-0	1		2582	2476	106
3	33--13	6	1739-0	1		2605	2447	158
3	33--14	6	1837-0	1		2836	2625	211
3	33--15	6	1111-0	1		2376	2257	119
3	33--16	6	1837-0	1		2830	2665	165
3	33--17	6	1119-0	2	7	2284	2099	185
3	33--18	6	1635-0	35				
3	33--20	6	1839-0	1		2789	2673	116
3	33--23	6	0927-0	1		2489	2165	324

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	33--24	6	0727-0	1		2074	1888	186
3	33--25	6	1635-0	2	11	2771	2609	162
3	33--26	6	1115-0	1		2345	2180	165
3	33--27	6	1837-0	1		2999	2878	121
3	33--28	6	1619-0	1		2624	2409	215
3	33--29	6	1839-0	1		3085	2810	275
3	33--31	6	0927-0	1		2351	2098	253
3	33--32	6	0927-0	1		2353	2147	206
3	34--01	6	0727-0	1		2114	1976	138
3	34--02	6	0769-0	1		2241	2037	204
3	34--03	6	0927-0	1		2430	2056	374
3	34--04	6	1235-0	1		2830	2581	249
3	34--05	6	1737-0	35				
3	34--06	6	1635-0	1		2672	2557	115
3	34--07	6	1837-0	1		3087	2994	93
3	34--08	6	1839-0	34	7			
3	34--09	6	1635-0	1		2780	2590	190
3	34--10	6	0769-0	1		2012	1937	75
3	34--12	6	0569-0	1		2333	1959	374
3	34--13	6	1837-0	34	11			
3	34--15	6	1837-0	1		2809	2665	144
3	34--16	6	1635-0	1		2874	2609	265
3	34--17	6	1837-0	1		2931	2723	208
3	34--18	6	1867-0	1		2992	2850	142
3	34--19	6	1835-0	1		3119	2942	177
3	34--20	6	1739-0	2	11	2733	2537	196
3	34--21	6	1837-0	1		2873	2670	203
3	34--22	6	1837-0	2	7	2824	2610	214
3	34--23	6	1635-0	2	7	2892	2756	136
3	34--24	6	1119-0	34	11			
3	34--25	6	1837-0	1		3331	2945	366
3	34--26	6	0727-0	1		2008	1875	133
3	34--27	6	0927-0	1		2363	2161	182

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NET
SELLING
PRICE
TO
CUSTOMERMODEL NO.
AND
YEAR

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	34--28	6	1635-0	1		2952	2730	222
3	34--29	6	1767-0	33				
3	34--30	6	0927-0	1		2359	2074	285
3	34--31	6	1835-0	1		3092	2924	168
3	34--32	6	1135-0	1		2385	2245	140
3	35--01	6	1819-0	2	7	2814	2608	206
3	35--02	6	1619-0	1		2640	2402	238
3	35--03	6	1839-0	1		2608	2473	135
3	35--04	6	1235-0	2	7	2690	2500	190
3	35--05	6	1867-0	1		3102	2926	176
3	35--06	6	1219-0	1		2417	2296	121
3	35--07	6	1611-0	2	7	2497	2301	196
3	35--08	6	1837-0	1		2882	2676	206
3	35--09	6	1635-0	2	7	2865	2610	255
3	35--10	6	1835-0	2	11	3032	2873	159
3	35--11	6	1835-0	35				
3	35--12	6	0927-0	1		2333	2059	274
3	35--13	6	1135-0	1		2588	2411	177
3	35--14	6	1119-0	1		2071	1976	95
3	35--15	6	1645-0	1		3010	2835	175
3	35--16	6	1619-0	33				
3	35--17	6	1635-0	1		2874	2685	189
3	35--18	6	1119-0	34	11			
3	35--19	6	1235-0	2				
3	35--20	6	1645-0	1	7	2697	2534	163
3	35--21	6	1837-0	2		3038	2846	192
3	35--23	6	0867-0	1	7	3084	2855	209
3	36--01	7	1837-0	1		3601	3488	113
3	36--02	7	1135-0	1		2791	2670	121
3	36--03	7	0569-0	1		2567	2352	215
3	36--04	7	0727-0	1		2076	1979	97
3	36--05	7	1739-0	1		2258	2063	195
3	36--06	7	1619-0	1		2625	2543	82
						2765	2686	79

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	36--07	7	1819-0	1		2738	2573	165
3	36--08	7	1837-0	33				
3	36--09	7	1839-0	1		2757	2649	108
3	36--10	7	0727-0	1		2145	1996	149
3	36--11	7	0927-0	1		2358	2190	168
3	36--12	7	0927-0	1		2423	2171	252
3	36--13	7	0769-0	1		2271	2065	206
3	36--14	7	0727-0	1		2131	2048	83
3	36--15	7	0727-0	1		2128	2026	102
3	36--16	7	0769-0	1		2294	2087	207
3	36--17	7	0927-0	1		2553	2157	396
3	36--18	7	1835-0	1		3256	3050	206
3	36--19	7	1835-0	1		3335	3070	265
3	36--20	7	1839-0	32				
3	36--21	7	1839-0	1		3399	3268	131
3	36--22	7	1111-0	1		2290	2071	219
3	36--23	7	1837-0	2	11	2744	2594	150
3	36--24	7	0867-0	1		3470	3389	81
3	36--25	7	0927-0	1		2494	2171	323
3	36--28	7	1635-0	1		2928	2713	215
3	36--29	7	1837-0	1		2792	2605	187
3	36--30	7	1835-0	1		3171	3049	122
3	36--31	7	1837-0	1		2779	2619	160
3	36--32	7	0867-0	2		3801	3551	250
3	37--01	7	1837-0	1	7	2810	2673	137
3	37--02	7	1119-0	1		2107	1999	108
3	37--03	7	1111-0	1		2190	2070	120
3	37--04	7	1837-0	1		2684	2592	92
3	37--05	7	1519-0	1		2310	2223	87
3	37--06	7	0769-0	1		2281	2061	220
3	37--07	7	0527-0	1		2044	1927	117
3	37--08	7	0527-0	1		2123	1923	210
3	37--09	7	0527-0	1		2123	1923	210
3	37--10	7	0527-0	1		2123	1923	210

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	37--10	7	0769-0	1		2224	2115	109
3	37--11	7	1837-0	1		2890	2686	204
3	37--12	7	1837-0	1		3430	3221	209
3	37--13	7	0867-0	1		5597	3316	281
3	37--14	7	1837-0	1		2762	2666	96
3	37--15	7	1837-0	1		2824	2602	222
3	37--16	7	0727-0	1		2105	1950	155
3	37--17	7	0727-0	1		2198	2048	150
3	37--18	7	0527-0	1		2106	1974	132
3	37--19	7	0927-0	1		2489	2057	432
3	37--20	7	0769-0	1	7	2159	2011	148
3	37--21	7	1635-0	2		2966	2801	165
3	37--22	7	1135-0	1		2680	2472	208
3	37--23	7	1839-0	2	11	2903	2769	134
3	37--24	7	1519-0	1		2200	2064	136
3	37--25	7	1835-0	1		3195	3048	147
3	37--26	7	0927-0	1		2706	2205	501
3	37--27	7	1837-0	1		2727	2499	228
3	37--28	7	1635-0	1		2920	2799	121
3	37--29	7	1511-0	2	10	2416	2321	95
3	37--30	7	0867-0	1		4084	3913	171
3	37--31	7	1837-0	1		2949	2679	270
3	37--32	7	1635-0	1		2745	2592	153
3	38--01	7	1219-0	1		2371	2273	98
3	38--02	7	1645-0	33				
3	38--03	7	1839-0	1		2777	2679	98
3	38--04	7	1837-0	35				
3	38--05	7	1837-0	1		2792	2678	114
3	38--06	7	0769-0	1		2157	2078	79
3	38--07	7	0769-0	1		2225	2067	158
3	38--08	7	0769-0	1		2266	2076	190
3	38--09	7	0569-0	1		2196	2065	131
3	38--10	7	0927-0	33				

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	38--11	7	0569-0	1		1837	1757	80
3	38--12	7	1839-0	32				79
3	38--13	7	0727-0	1		2127	2048	227
3	38--14	7	1837-0	2	7	2828	2601	217
3	38--15	7	1119-0	2	7	2431	2214	149
3	38--16	7	1137-0	1		2857	2708	94
3	38--17	7	0727-0	1		2138	2044	125
3	38--18	7	0769-0	1		2187	2062	
3	38--19	7	0727-0	33				
3	38--20	7	1867-0	33				
3	38--21	7	1119-0	35				
3	38--22	7	1519-0	33				
3	38--23	7	1111-0	33				
3	38--24	7	1867-0	1				
3	38--25	7	1839-0	1		3107	2987	120
3	38--26	7	1645-0	33		3150	3062	88
3	38--27	7	1111-0	1		2260	2113	147
3	38--28	7	1837-0	34	11			
3	38--29	7	1839-0	32				
3	38--30	7	1219-0	2	7	2253	2041	212
3	38--31	7	1635-0	33				
3	38--32	7	1837-0	1		2788	2569	219
3	39--01	7	1839-0	1		2686	2579	107
3	39--02	7	0927-0	2	7	2372	2207	165
3	39--03	7	0927-0	1		2544	2197	347
3	39--04	7	0769-0	33				
3	39--05	7	0927-0	33				
3	39--06	7	0527-0	1	10	2054	1941	113
3	39--07	7	0727-0	2		2093	1961	132
3	39--08	7	0927-0	1		2428	2074	354
3	39--09	7	0927-0	2		2253	2057	199
3	39--10	7	0927-0	1	7	2343	2184	214
3	39--11	7	0927-0	2		2500	2000	324

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR.	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	39--12	7	1839-0	2	11	2740	2543	197
3	39--13	7	1135-0	34	11			
3	39--14	7	1235-0	34	11			
3	39--15	7	0927-0	33				
3	39--16	7	0727-0	1		1954	1882	72
3	39--17	7	0727-0	1		2077	1995	82
3	39--18	7	0927-0	1		2543	2221	322
3	39--19	7	0727-0	1		2106	1907	199
3	39--20	7	0727-0	1		2126	2023	103
3	39--21	7	0527-0	1		2003	1899	104
3	39--22	7	0727-0	1		2024	1884	140
3	39--24	7	1235-0	1		2794	2597	197
3	39--25	7	1235-0	33				
3	39--26	7	1867-0	1		3560	3245	315
3	39--27	7	1211-0	2	7	2275	2046	229
3	39--29	7	1115-0	2	7	2385	2205	180
3	39--30	7	1839-0	32				
3	39--31	7	1135-0	1		2390	2256	134
3	39--32	7	1519-0	33				
3	40--01	7	0867-0	33				
3	40--02	7	1839-0	34				
3	40--03	7	0867-0	1	11	3615	3488	127
3	41--01	8	0727-0	1		2232	2057	175
3	41--02	8	0727-0	1		2054	1943	111
3	41--03	8	0727-0	1		2017	1877	140
3	41--04	8	0769-0	1		2264	2059	205
3	41--05	8	0769-0	1		2215	2067	148
3	41--06	8	0769-0	1		2600	2096	504
3	41--07	8	0769-0	1		2213	2078	135
3	41--08	8	0867-0	1		3740	3564	176
3	41--09	8	0927-0	1		2504	2165	339
3	41--10	8	0927-0	1		2509	2192	317
3	41--11	8	1111-0	1		2220	2113	107

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	41--13	8	1111-0	1		2080	1932	148
3	41--15	8	1511-0	1		2216	2127	89
3	41--16	8	1535-0	1		2838	2548	290
3	41--18	8	1635-0	1		2891	2730	161
3	41--19	8	1837-0	1		2447	2443	4
3	41--20	8	1837-0	33				
3	41--21	8	1837-0	1		2660	2534	126
3	41--22	8	1837-0	1		2663	2496	167
3	41--23	8	1837-0	1		2796	2618	178
3	41--24	8	1839-0	33				
3	41--25	8	1839-0	33				
3	41--26	8	0727-0	1		2124	2048	76
3	41--27	8	0727-0	1		2029	1927	102
3	41--28	8	0727-0	1		2176	2048	128
3	41--29	8	0927-0	1		2502	2218	284
3	41--30	8	0927-0	1		2599	2191	408
3	41--31	8	0927-0	1		2425	2169	256
3	41--32	8	1235-0	35				
3	42--01	8	1537-0	1		2490	2336	154
3	42--02	8	1635-0	1		2931	2721	210
3	42--03	8	1635-0	1		2852	2714	138
3	42--04	8	1837-0	34	11			
3	42--05	8	1837-0	1		2733	2624	109
3	42--06	8	1837-0	1		2644	2455	189
3	42--07	8	1837-0	33				
3	42--08	8	1837-0	1		2678	2520	158
3	42--09	8	1839-0	33				
3	42--10	8	1839-0	1		2753	2674	79
3	42--11	8	0927-0	1	11	2475	2157	318
3	42--12	8	0727-0	2		2178	2058	120
3	42--13	8	0769-0	1		2188	2078	110
3	42--14	8	0727-0	1		1983	1925	58
3	42--15	8	0927-0	2	7	2456	2171	265

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	42--16	8	0927-0	1		2385	2059	326
3	42--17	8	0927-0	1		2509	2146	363
3	42--18	8	0927-0	33				
3	42--19	8	0527-0	2	7	2146	1852	294
3	42--20	8	1837-0	1		2747	2613	134
3	42--21	8	1511-0	1		2278	2078	200
3	42--22	8	1519-0	1		2374	2182	192
3	42--23	8	1839-0	2	7	3284	3078	206
3	42--24	8	0867-0	1		3582	3397	185
3	42--25	8	1111-0	2	11	2239	2105	134
3	42--26	8	1739-0	1		2752	2534	218
3	42--27	8	1839-0	1		3029	2800	229
3	42--28	8	1835-0	1		3028	2820	208
3	42--29	8	1837-0	1		2777	2608	169
3	42--30	8	0867-0	1		3607	3351	256
3	42--31	8	1839-0	2	11	2779	2556	223
3	42--32	8	1637-0	33				
3	43--01	8	0927-0	1		2500	2074	426
3	43--02	8	0727-0	1		2021	1901	120
3	43--03	8	0727-0	1		2288	2031	257
3	43--05	8	0927-0	33				
3	43--06	8	0727-0	33				
3	43--08	8	0727-0	1				
3	43--09	8	0569-0	33		2517	2043	474
3	43--10	8	1837-0	1				
3	43--11	8	1645-0	1		2560	2336	224
3	43--12	8	1837-0	33		2831	2672	159
3	43--13	8	1519-0	1				
3	43--14	8	1839-0	1		2229	2113	116
3	43--15	8	1837-0	1		2810	2673	137
3	43--16	8	1837-0	33		2555	2388	167
3	43--18	8	1737-0	34				
3	43--19	8	1837-0	1	7	2901	2560	341

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DEALER
NO.

PG. - LINE NO.

MONTH
SOLDMODEL NO.
AND
YEARTYPE OF
SALE*OUTLET
NO.*NET
SELLING
PRICE TO
CUSTOMERDEALER
INVOICE

MARKUP

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3	43--21	8	0769-0	1		2232	2061	171
3	43--22	8	0527-0	1		2124	1960	164
3	43--23	8	0769-0	1		2051	1942	109
3	43--24	8	0727-0	33				
3	43--25	8	0927-0	1		2473	2154	319
3	43--26	8	0927-0	1		2316	2036	280
3	43--27	8	1645-0	33				
3	43--28	8	1839-0	1		2724	2586	138
3	43--29	8	1839-0	1		3335	3184	151
3	43--30	8	1635-0	1		3019	2838	181
3	43--31	8	1847-0	1		3029	2816	213
3	43--32	8	1837-0	1		2774	2546	228
3	44--01	8	1837-0	1		2783	2557	226
3	44--02	8	1837-0	1		2744	2585	159
3	44--03	8	1837-0	33				
3	44--04	8	1645-0	1		3295	3056	239
3	44--05	8	1114-0	1		2242	2153	89
3	44--06	8	0727-0	1		1948	1832	116
3	44--08	8	0727-0	1		2141	2026	115
3	44--09	8	0769-0	1		2199	2057	142
3	44--10	8	1837-0	1		2881	2688	193
3	44--11	8	0727-0	1		2003	1859	144
3	44--12	8	0927-0	33				
3	44--13	8	1839-0	1		3019	2899	120
3	44--14	8	1839-0	1		2816	2695	121
3	44--15	8	1837-0	1		2759	2668	91
3	44--16	8	1635-0	1		2845	2711	134
3	44--17	8	0769-0	2		2206	2061	145
3	44--18	8	1111-0	2		2261	2119	142
3	44--19	8	0769-0	1		2343	2189	154
3	44--20	8	0727-0	1		2170	2015	155
3	44--21	8	1835-0	33				
3	44--22	8	1211-0	1		2300	2207	93

7

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NET

1835-0 8 1211-0 1
 44-21 8 1211-0 1
 44-22 8 1211-0 1

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	44-23	8	1837-0	1		2712	2522	190
3	44-24	8	0727-0	33				
3	44-25	8	0727-0	1		2102	2023	79
3	44-26	8	0727-0	33				
3	44-27	8	0727-0	33				
3	44-29	8	1837-0	35				
3	44-30	8	1837-0	33				
3	44-31	8	1835-0	33				
3	44-32	8	1637-0	33				
3	45-01	8	1111-0	2	7	2150	1901	249
3	45-02	8	1645-0	33				
3	45-04	8	1111-0	1		2110	1982	128
3	45-05	8	1837-0	35				
3	45-06	8	1837-0	35				
3	45-07	8	1837-0	1		3314	3051	263
3	45-08	8	0727-0	1		2043	1900	143
3	45-09	8	0927-0	1		2356	2059	297
3	45-11	8	0769-0	1		2094	1959	135
3	45-14	8	0927-0	1		2533	2117	416
3	45-15	8	0727-0	33				
3	45-16	8	1837-0	1		2770	2665	105
3	45-17	8	1839-0	1		2709	2562	147
3	45-18	8	1111-0	1		2307	2160	147
3	45-19	8	1211-0	1		2594	2392	202
3	45-20	8	1839-0	1		2987	2838	149
3	45-21	8	1837-0	33				
3	45-22	8	1837-0	1		2841	2613	228
3	45-23	8	1115-0	1		2386	2260	126
3	45-24	8	0927-0	1		2476	2171	305
3	45-29	8	0769-0	34	11			
3	45-30	8	0769-0	1				
3	45-31	8	1619-0	35		2234	2053	181
3	45-32	8	1837-0	2	11	2831	2620	211

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	46--01	8	1837-9	33		2644	2548	96
3	46--02	8	1235-0	1	7	2381	2236	145
3	46--03	8	1511-0	2		2749	2536	213
3	46--04	8	1837-0	2	11	2385	2225	160
3	46--05	8	1737-0	1		2469	2157	312
3	46--06	8	0927-0	1		2754	2656	98
3	46--07	8	1837-0	2	10			
3	46--09	8	0769-0	33		2768	2637	131
3	46--10	8	1837-0	1		3240	3029	211
3	46--11	8	1835-0	1		2789	2566	223
3	46--12	8	1837-0	1		2050	1899	151
3	46--13	8	0727-0	1				
3	46--14	8	0727-0	33		2191	2059	132
3	46--15	8	0769-0	1		2504	2342	162
3	47--01	9	1519-0	1		3804	3631	173
3	47--02	9	0867-0	1		2550	2398	152
3	47--03	9	1619-0	1		2864	2657	207
3	47--04	9	1837-0	1		2858	2718	140
3	47--05	9	1837-0	1		2799	2656	143
3	47--06	9	1837-0	1				
3	47--07	9	1219-0	33				
3	47--08	9	1219-0	33		2793	2580	213
3	47--09	9	1837-0	1		3415	2972	443
3	47--10	9	1645-0	1		2825	2610	215
3	47--11	9	1235-0	1		2239	2069	170
3	47--12	9	0769-0	1		2041	1884	157
3	47--13	9	0727-0	1				
3	47--14	9	0727-0	33				
3	47--15	9	0769-0	33				
3	47--16	9	0769-0	1		2236	2076	160
3	47--17	9	0769-0	1		2277	2078	199
3	47--18	9	0727-0	1		1950	1852	98
3	47--19	9	0727-0	1		2354	2111	243

NET

47-18 47-19 47-20 47-21 47-22 47-23 47-24 47-25 47-26 47-27 47-28 47-29 47-30 47-31 47-32 47-33 47-34 47-35 47-36 47-37 47-38 47-39 47-40 47-41 47-42 47-43 47-44 47-45 47-46 47-47 47-48 47-49 47-50 47-51 47-52 47-53 47-54 47-55 47-56 47-57 47-58 47-59 47-60 47-61 47-62 47-63 47-64 47-65 47-66 47-67 47-68 47-69 47-70 47-71 47-72 47-73 47-74 47-75 47-76 47-77 47-78 47-79 47-80 47-81 47-82 47-83 47-84 47-85 47-86 47-87 47-88 47-89 47-90 47-91 47-92 47-93 47-94 47-95 47-96 47-97 47-98 47-99 47-100

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	47--20	9	0769-0	1		2270	2063	207
3	47--21	9	0727-0	2	11	2148	1993	155
3	47--22	9	0769-0	1		2246	2082	164
3	47--23	9	0727-0	33				
3	47--24	9	0769-0	1		2210	2076	134
3	47--26	9	1837-0	1		3027	2735	292
3	47--27	9	1837-0	1		3005	2733	272
3	47--28	9	1837-0	34	11			
3	47--29	9	1737-0	2	7	2495	2271	224
3	47--30	9	1819-0	1		2803	2607	196
3	47--32	9	1837-0	35				
3	48--01	9	1837-0	35				
3	48--02	9	0769-0	2	11	2265	2102	163
3	48--03	9	0769-0	1		2201	2087	114
3	48--04	9	0769-0	1		2202	2045	157
3	48--05	9	0927-0	1		2519	2041	478
3	48--06	9	0927-0	1		2477	2053	424
3	48--07	9	0727-0	1		2123	2060	63
3	48--08	9	0727-0	1		2138	2039	99
3	48--09	9	0569-0	33				
3	48--10	9	1235-0	1		2600	2482	118
3	48--11	9	1111-0	1		2251	2126	125
3	48--12	9	1837-0	1		2765	2623	142
3	48--13	9	1111-0	1		2418	2077	341
3	48--14	9	1839-0	1		2794	2687	107
3	48--15	9	1835-0	33				
3	48--16	9	1837-0	1		2782	2692	90
3	48--17	9	1837-0	1		2850	2551	299
3	48--18	9	1837-0	1		3300	3046	254
3	48--19	9	0769-0	33				
3	48--20	9	0769-0	1		2233	2054	179
3	48--21	9	1839-0	35				
3	48--22	9	1115-0	1		2415	2321	94

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	48--23	9	1839-0	33		2347	2259	88
3	48--24	9	1519-0	1		2640	2543	97
3	48--25	9	1235-0	1		2795	2630	165
3	48--28	9	1837-0	1		2160	1898	262
3	48--29	9	0727-0	1		2570	2302	268
3	48--30	9	0727-0	2	7	2571	2171	400
3	48--31	9	0927-0	1		2575	2157	418
3	48--32	9	0927-0	1		3496	3342	154
3	49--01	9	0867-0	1		2404	2253	151
3	49--02	9	1219-0	1		2890	2729	161
3	49--03	9	1867-0	1		2846	2622	224
3	49--04	9	1635-0	1		2703	2542	161
3	49--05	9	1839-0	1		2986	2791	195
3	49--06	9	1637-0	1		2415	2293	122
3	49--07	9	1135-0	1		2780	2542	238
3	49--08	9	1235-0	2	7	2210	2070	140
3	49--09	9	0769-0	1		2170	2034	136
3	49--12	9	0727-0	1		2276	2014	262
3	49--13	9	0769-0	1		2443	2272	171
3	49--14	9	1519-0	1		2784	2630	154
3	49--15	9	1837-0	1		3150	3058	92
3	49--16	9	1837-0	1		3233	3110	123
3	49--17	9	1839-0	1		2797	2648	149
3	49--18	9	1819-0	1		1961	1804	157
3	49--19	9	0727-0	2	7	2316	2190	126
3	49--20	9	1519-0	1		2279	2050	229
3	49--23	9	1119-0	1		3032	2859	173
3	49--24	9	1867-0	1		2233	2088	145
3	49--25	9	0769-0	1		1940	1863	77
3	49--26	9	0727-0	1		2720	2421	299
3	49--27	9	1611-0	1		2471	2306	145
3	49--28	9	1511-0	1		2930	2806	124
3	49--29	9	1635-0	1				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	49--30	9	1837-0	1		2832	2662	170
3	49--31	9	1645-0	1		3032	2873	159
3	49--32	9	0927-0	1		2457	2137	320
3	50--01	9	0927-0	1		2470	2168	302
3	50--02	9	0769-0	1		2297	2092	205
3	50--03	9	1837-0	1		2756	2554	202
3	50--04	9	1839-0	1		3356	3102	254
3	50--05	9	1837-0	1		2927	2635	292
3	50--06	9	0927-0	1		2480	2192	288
3	50--07	9	0927-0	1		2479	2157	322
3	50--08	9	0569-0	1		2065	2014	51
3	50--09	9	1211-0	35				
3	50--10	9	1119-0	2	11	2298	2159	139
3	50--11	9	1635-0	1		2858	2694	164
3	50--12	9	1635-0	1		3335	3180	155
3	50--13	9	1119-0	1		2363	2199	164
3	50--14	9	1837-0	1		2738	2647	91
3	50--15	9	0527-0	1		2152	1938	214
3	50--17	9	0769-0	2	11	2045	1968	77
3	50--18	9	0927-0	1		2452	2147	305
3	50--19	9	1819-0	33				
3	50--20	9	1635-0	1		2762	2652	110
3	50--21	9	1867-0	1		3119	2916	203
3	50--22	9	1135-0	1		2559	2468	91
3	50--23	9	1837-0	1		2792	2622	170
3	50--24	9	1635-0	1		2892	2747	145
3	50--25	9	1837-0	1		2751	2586	165
3	50--26	9	1837-0	1		2771	2667	104
3	50--27	9	1837-0	1		2725	2588	137
3	50A-01	10	0769-0	32				
3	50A-02	10	0769-0	1		2237	2085	152
3	50A-03	10	0727-0	1		2005	1863	142
3	50A-04	10	0769-0	1		2213	2049	164

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	50A-05	10	0769-0	1		2022	1952	70
3	50A-06	10	0727-0	1		2152	1928	224
3	50A-07	10	1835-0	33				
3	50A-08	10	1837-0	33				
3	50A-09	10	1837-0	1		2911	2628	283
3	50A-10	10	1839-0	1		2819	2704	115
3	50A-11	10	0927-1	1		2497	2193	304
3	50A-12	10	0769-0	31				
3	50A-13	10	1619-0	31				
3	50A-14	10	0769-0	31		2594	2186	408
3	50A-15	10	0727-0	31				
3	50A-16	10	0927-1	1				
3	50A-17	10	0769-1	33		2650	2179	471
3	50A-18	10	0927-1	1				
3	50A-19	10	1619-0	31				
3	50A-20	10	1111-0	31				
3	50A-21	10	0927-1	1				
3	50A-22	10	0769-0	31		2508	2179	329
3	50A-23	10	0569-1	1				
3	50A-24	10	0569-0	31		2113	1799	314
3	50A-25	10	0927-1	1				
3	50A-26	10	0727-1	1		2567	2186	381
3	50A-27	10	0927-1	1		2319	2038	281
3	50A-28	10	1835-1	1		2438	2176	262
3	50A-29	10	1619-0	1		3867	3013	854
3	50A-30	10	1619-0	31				
3	50A-31	10	1837-0	31				
3	50A-32	10	1839-1	33				
3	51-01	10	1867-1	33				
3	51-02	10	1119-0	31				
3	51-03	10	1839-1	1				
3	51-04	10	1609-1	1				
3	51-05	10	1609-1	1				
3	51-06	10	1609-1	1				
3	51-07	10	1609-1	1				
3	51-08	10	1609-1	1				
3	51-09	10	1609-1	1				
3	51-10	10	1609-1	1				
3	51-11	10	1609-1	1				
3	51-12	10	1609-1	1				
3	51-13	10	1609-1	1				
3	51-14	10	1609-1	1				
3	51-15	10	1609-1	1				
3	51-16	10	1609-1	1				
3	51-17	10	1609-1	1				
3	51-18	10	1609-1	1				
3	51-19	10	1609-1	1				
3	51-20	10	1609-1	1				
3	51-21	10	1609-1	1				
3	51-22	10	1609-1	1				
3	51-23	10	1609-1	1				
3	51-24	10	1609-1	1				
3	51-25	10	1609-1	1				
3	51-26	10	1609-1	1				
3	51-27	10	1609-1	1				
3	51-28	10	1609-1	1				
3	51-29	10	1609-1	1				
3	51-30	10	1609-1	1				
3	51-31	10	1609-1	1				
3	51-32	10	1609-1	1				
3	51-33	10	1609-1	1				
3	51-34	10	1609-1	1				
3	51-35	10	1609-1	1				
3	51-36	10	1609-1	1				
3	51-37	10	1609-1	1				
3	51-38	10	1609-1	1				
3	51-39	10	1609-1	1				
3	51-40	10	1609-1	1				
3	51-41	10	1609-1	1				
3	51-42	10	1609-1	1				
3	51-43	10	1609-1	1				
3	51-44	10	1609-1	1				
3	51-45	10	1609-1	1				
3	51-46	10	1609-1	1				
3	51-47	10	1609-1	1				
3	51-48	10	1609-1	1				
3	51-49	10	1609-1	1				
3	51-50	10	1609-1	1				
3	51-51	10	1609-1	1				
3	51-52	10	1609-1	1				
3	51-53	10	1609-1	1				
3	51-54	10	1609-1	1				
3	51-55	10	1609-1	1				
3	51-56	10	1609-1	1				
3	51-57	10	1609-1	1				
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3	51-63	10	1609-1	1				
3	51-64	10	1609-1	1				
3	51-65	10	1609-1	1				
3	51-66	10	1609-1	1				
3	51-67	10	1609-1	1				
3	51-68	10	1609-1	1				
3	51-69	10	1609-1	1				
3	51-70	10	1609-1	1				
3	51-71	10	1609-1	1				
3	51-72	10	1609-1	1				
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3	51-74	10	1609-1	1				
3	51-75	10	1609-1	1				
3	51-76	10	1609-1	1				
3	51-77	10	1609-1	1				
3	51-78	10	1609-1	1				
3	51-79	10	1609-1	1				
3	51-80	10	1609-1	1				
3	51-81	10	1609-1	1				
3	51-82	10	1609-1	1				
3	51-83	10	1609-1	1				
3	51-84	10	1609-1	1				
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3	51-86	10	1609-1	1				
3	51-87	10	1609-1	1				
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3	51-89	10	1609-1	1				
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3	51-103	10	1609-1	1				
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3	51-107	10	1609-1	1				
3	51-108	10	1609-1	1				
3	51-109	10	1609-1	1				
3	51-110	10	1609-1	1				
3	51-111	10	1609-1	1				
3	51-112	10	1609-1	1				
3	51-113	10	1609-1	1				
3	51-114	10	1609-1	1				
3	51-115	10	1609-1	1				
3	51-116	10	1609-1	1				
3	51-117	10	1609-1	1				
3	51-118	10	1609-1	1				
3	51-119	10	1609-1	1				
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3	51-122	10	1609-1	1				
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3	51-125	10	1609-1	1				
3	51-126	10	1609-1	1				
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3	51-128	10	1609-1	1				
3	51-129	10	1609-1	1				
3	51-130	10	1609-1	1				
3	51-131	10	1609-1	1				
3	51-132	10	1609-1	1				
3	51-133	10	1609-1	1				
3	51-134	10	1609-1	1				
3	51-135	10	1609-1	1				
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3	51-139	10	1609-1	1				
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3	51-141	10	1609-1	1				
3	51-142	10	1609-1	1				
3	51-143	10	1609-1	1				
3	51-144	10	1609-1	1				
3	51-145	10	1609-1	1				
3	51-146	10	1609-1	1				
3	51-147	10	1609-1	1				
3	51-148	10	1609-1	1				
3	51-149	10	1609-1	1				
3	51-150	10	1609-1	1				
3	51-151	10	1609-1	1				
3	51-152	10	1609-1	1				
3	51-153	10	1609-1	1				
3	51-154	10	1609-1	1				
3	51-155	10	1609-1	1				
3	51-156	10	1609-1	1				
3	51-157	10	1609-1	1				
3	51-158	10	1609-1	1				
3	51-159	10	1609-1	1				
3	51-160	10	1609-1	1				
3	51-161	10	1609-1	1				
3	51-162	10	1609-1	1				
3	51-163	10						

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER PRICE TO INVOICE	MARKUP
3	51--06	10	1839-0	31				
3	51--07	10	1635-0	31				
3	51--08	10	1837-0	31				
3	51--09	10	1845-1	1		3535	3054	481
3	51--10	10	0769-1	1		2371	2087	284
3	51--11	10	0769-0	31				
3	51--12	10	1635-0	31		3096	2745	351
3	51--13	10	1837-1	1				
3	51--14	10	1837-0	31				
3	51--15	10	1837-0	31				
3	51--16	10	1837-1	33				
3	51--17	10	1645-1	1		3117	2874	243
3	51--18	10	1837-1	33				
3	51--19	10	1837-1	1		3346	2779	567
3	51--20	10	1837-1	35				
3	51--21	10	0927-1	33				
3	51--22	10	0927-1	1		2486	2182	304
3	51--23	10	0727-1	33				
3	51--24	10	1637-0	31				
3	51--25	10	1837-1	33				
3	51--26	10	1837-1	33				
3	51--27	10	0769-1	1				
3	51--28	10	0927-1	1		2332	2060	272
3	51--29	10	0527-1	2	7	2592	2196	396
3	51--30	10	0769-1	1		2061	1803	258
3	51--31	10	0735-1	1		2289	2068	221
3	51--32	10	0569-0	33				
3	52--01	10	1837-1	34	7			
3	52--02	10	1135-1	2	7	2686	2426	260
3	52--03	10	1839-0	31				
3	52--04	10	1837-1	33				
3	52--05	10	1111-1	1		2421	1982	439
3	52--06	10	1837-1	2	7	2803	2542	261

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	52--07	10	1169-1	2	11	2318	2148	170
3	52--08	10	1111-1	2	7	2355	2120	235
3	52--09	10	1837-0	31				
3	52--10	10	1111-1	2	7	2244	1963	281
3	52--11	10	1669-1	1		2543	2348	195
3	52--12	10	1211-0	31				
3	52--13	10	1835-1	2	7	3152	2914	238
3	52--14	10	1837-0	31				
3	52--15	10	1837-1	1		2876	2643	233
3	52--17	10	0727-1	33				
3	52--18	10	0569-0	31		2790	2476	314
3	52--19	10	1669-1	1				
3	52--20	10	1837-0	31		3080	2904	176
3	52--21	10	1867-1	1				
3	52--22	10	1569-1	33				
3	52--23	10	1837-1	34	7	2270	2018	252
3	52--24	10	0727-1	1				
3	52--25	10	0769-0	31				
3	52--26	10	0927-1	1		2501	2210	291
3	52--27	10	0769-1	1		2427	2040	387
3	52--28	10	0727-1	33				
3	52--29	10	0727-1	33				
3	52--30	10	1669-1	1		2839	2459	380
3	52--31	10	1837-1	1		2774	2572	202
3	52--32	10	1111-1	1	7	2160	1963	197
3	53--02	10	1119-0	31		3206	2805	401
3	53--03	10	1635-1	1				
3	53--04	10	1837-0	31				
3	53--05	10	1839-0	31				
3	53--06	10	1135-1	1				
3	53--07	10	1839-1	33				
3	53--08	10	1411-0	33				
3	53--09	10	1411-0	33				
3	53--10	10	1411-0	33				
3	53--11	10	1411-0	33				
3	53--12	10	1411-0	33				
3	53--13	10	1411-0	33				
3	53--14	10	1411-0	33				
3	53--15	10	1411-0	33				
3	53--16	10	1411-0	33				
3	53--17	10	1411-0	33				
3	53--18	10	1411-0	33				
3	53--19	10	1411-0	33				
3	53--20	10	1411-0	33				
3	53--21	10	1411-0	33				
3	53--22	10	1411-0	33				
3	53--23	10	1411-0	33				
3	53--24	10	1411-0	33				
3	53--25	10	1411-0	33				
3	53--26	10	1411-0	33				
3	53--27	10	1411-0	33				
3	53--28	10	1411-0	33				
3	53--29	10	1411-0	33				
3	53--30	10	1411-0	33				
3	53--31	10	1411-0	33				
3	53--32	10	1411-0	33				
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3	53--41	10	1411-0	33				
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3	53--45	10	1411-0	33				
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3	53--47	10	1411-0	33				
3	53--48	10	1411-0	33				
3	53--49	10	1411-0	33				
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3	53--51	10	1411-0	33				
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3	53--71	10	1411-0	33				
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3	53--85	10	1411-0	33				
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3	53--91	10	1411-0	33				
3	53--92	10	1411-0	33				
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3	53--150	10	1411-0	33				
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3	53--154	10	1411-0	33				
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3	53--156	10	1411-0	33				
3	53--157	10	1411-0	33				
3	53--158	10	1411-0	33				
3	53--159	10	1411-0	33				
3	53--160	10	1411-0	33				
3	53--161	10	1411-0	33				
3	53--162	10	1411-0	33				
3	53--163	10	1411-0	33				
3	53--164	10	1411-0	33				
3								

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	53--10	10	1737-1	1		2657	2419	238
3	53--11	10	1837-1	1		2899	2681	218
3	53--12	10	0927-1	1		2627	2196	431
3	53--13	10	0927-1	1		2490	2191	299
3	53--14	10	0927-1	1		2303	2015	288
3	53--15	10	1669-1	1		2484	2365	119
3	53--16	10	1737-1	1		2371	2229	142
3	53--17	10	1545-1	2	7	2746	2477	269
3	53--18	10	1645-1	2	11	2876	2535	341
3	53--19	10	1837-1	35				
3	53--20	10	1837-1	2	11	2993	2665	328
3	53--21	10	1245-1	1		2869	2701	168
3	53--22	10	1837-1	1		2769	2564	205
3	53--23	10	1837-1	2	11	2900	2634	266
3	53--24	10	1669-1	2	11	2761	2474	287
3	53--25	10	0927-1	1		2637	2130	507
3	53--26	10	0727-1	1		2326	2067	259
3	53--27	10	0769-1	2	11	2300	2041	259
3	53--28	10	0769-1	2	7	2317	2049	268
3	53--29	10	0927-1	1		2418	2140	278
3	53--30	10	1837-0	31				
3	53--31	10	1135-1	33				
3	53--32	10	1837-1	33				
3	54--01	10	1037-1	33				
3	54--02	10	1867-1	2	7	2910	2649	261
3	54--03	10	0727-1	35				
3	54--04	10	0769-0	31				
3	54--06	10	1835-0	31				
3	54--07	10	0927-1	1		2458	2140	318
3	54--08	10	0927-1	1		2412	2196	216
3	54--09	10	0927-1	1		2474	2172	302
3	54--10	10	0927-1	1		2436	2121	315
3	54--11	10	0927-1	2	7	2351	2144	207

1005

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[Col. 1590]

1006

DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	54--12	10	0927-1	33				
3	54--13	10	0927-1	33			2181	341
3	54--14	10	0927-1	33		2522	3018	202
3	54--15	10	0927-1	1	11	3220	2419	223
3	54--16	10	1835-1	2	7	2642	3102	217
3	54--17	10	1837-1	2		3319	2617	240
3	54--18	10	1839-1	1		2857	2468	243
3	54--19	10	1837-1	1	7	2711	2826	238
3	54--20	10	1669-1	2		3064		
3	54--21	10	1635-1	1				
3	54--22	10	1837-1	33		2895	2631	264
3	54--23	10	1837-1	1		3146	2923	223
3	54--24	10	1835-1	2	7	2453	2146	307
3	54--26	10	0927-1	1		2514	2177	337
3	54--27	10	0927-1	1		2131	1850	281
3	54--28	10	0727-1	1				
3	54--29	10	1837-0	31				
3	54--30	10	1111-1	2	11	2506	2186	320
3	54--31	10	1739-1	1		2723	2544	179
3	54--32	10	0927-1	1		2474	2193	281
3	55--01	10	1837-1	2	11	3081	2990	91
3	55--02	10	1111-0	31				
3	55--03	10	1669-1	2	11	2568	2361	207
3	55--04	10	1211-0	31				
3	55--05	10	1867-1	34				
3	55--06	10	1837-0	31	11			
3	55--07	10	1843-1	33				
3	56--01	11	1837-0	31		2174	2049	125
3	56--02	11	0769-1	1				
3	56--03	11	0927-1	33				
3	56--04	11	0769-1	33				
3	56--05	11	1635-1	33				
3	56--06	11	0735-1	1				
3	56--07	11	0735-1	1				
3	56--08	11	0735-1	1				
3	56--09	11	0735-1	1				
3	56--10	11	0735-1	1				
3	56--11	11	0735-1	1				
3	56--12	11	0735-1	1				
3	56--13	11	0735-1	1				
3	56--14	11	0735-1	1				
3	56--15	11	0735-1	1				
3	56--16	11	0735-1	1				
3	56--17	11	0735-1	1				
3	56--18	11	0735-1	1				
3	56--19	11	0735-1	1				
3	56--20	11	0735-1	1				
3	56--21	11	0735-1	1				
3	56--22	11	0735-1	1				
3	56--23	11	0735-1	1				
3	56--24	11	0735-1	1				
3	56--25	11	0735-1	1				
3	56--26	11	0735-1	1				
3	56--27	11	0735-1	1				
3	56--28	11	0735-1	1				
3	56--29	11	0735-1	1				
3	56--30	11	0735-1	1				
3	56--31	11	0735-1	1				
3	56--32	11	0735-1	1				
3	56--33	11	0735-1	1				
3	56--34	11	0735-1	1				
3	56--35	11	0735-1	1				
3	56--36	11	0735-1	1				
3	56--37	11	0735-1	1				
3	56--38	11	0735-1	1				
3	56--39	11	0735-1	1				
3	56--40	11	0735-1	1				
3	56--41	11	0735-1	1				
3	56--42	11	0735-1	1				
3	56--43	11	0735-1	1				
3	56--44	11	0735-1	1				
3	56--45	11	0735-1	1				
3	56--46	11	0735-1	1				
3	56--47	11	0735-1	1				
3	56--48	11	0735-1	1				
3	56--49	11	0735-1	1				
3	56--50	11	0735-1	1				
3	56--51	11	0735-1	1				
3	56--52	11	0735-1	1				
3	56--53	11	0735-1	1				
3	56--54	11	0735-1	1				
3	56--55	11	0735-1	1				
3	56--56	11	0735-1	1				
3	56--57	11	0735-1	1				
3	56--58	11	0735-1	1				
3	56--59	11	0735-1	1				
3	56--60	11	0735-1	1				
3	56--61	11	0735-1	1				
3	56--62	11	0735-1	1				
3	56--63	11	0735-1	1				
3	56--64	11	0735-1	1				
3	56--65	11	0735-1	1				
3	56--66	11	0735-1	1				
3	56--67	11	0735-1	1				
3	56--68	11	0735-1	1				
3	56--69	11	0735-1	1				
3	56--70	11	0735-1	1				
3	56--71	11	0735-1	1				
3	56--72	11	0735-1	1				
3	56--73	11	0735-1	1				
3	56--74	11	0735-1	1				
3	56--75	11	0735-1	1				
3	56--76	11	0735-1	1				
3	56--77	11	0735-1	1				
3	56--78	11	0735-1	1				
3	56--79	11	0735-1	1				
3	56--80	11	0735-1	1				
3	56--81	11	0735-1	1				
3	56--82	11	0735-1	1				
3	56--83	11	0735-1	1				
3	56--84	11	0735-1	1				
3	56--85	11	0735-1	1				
3	56--86	11	0735-1	1				
3	56--87	11	0735-1	1				
3	56--88	11	0735-1	1				
3	56--89	11	0735-1	1				
3	56--90	11	0735-1	1				
3	56--91	11	0735-1	1				
3	56--92	11	0735-1	1				
3	56--93	11	0735-1	1				
3	56--94	11	0735-1	1				
3	56--95	11	0735-1	1				
3	56--96	11	0735-1	1				
3	56--97	11	0735-1	1				
3	56--98	11	0735-1	1				
3	56--99	11	0735-1	1				
3	56--100	11	0735-1	1				

NET

3 56--08 3 56--09 3 56--10 3 56--11 3 56--12 3 56--13 3 56--14 3 56--15 3 56--16 3 56--17 3 56--18 3 56--19 3 56--20 3 56--21 3 56--22 3 56--23 3 56--24 3 56--25 3 56--26 3 56--27 3 56--28 3 56--29 3 56--30 3 56--31 3 56--32 3 57--01 3 57--02 3 57--03 3 57--05 3 57--06 3 57--07 3 57--08 3 57--09 3

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	56--08	11	1645-1	2	7	2958	2738	220
3	56--09	11	0927-1	1		2489	2177	312
3	56--10	11	1839-1	35				
3	56--11	11	1837-1	2	11	3015	2739	276
3	56--12	11	1837-1	2	11	2947	2670	277
3	56--13	11	1839-1	2	7	2744	2593	151
3	56--14	11	1737-1	2	7	2573	2343	230
3	56--15	11	0927-1	1		2524	2204	320
3	56--16	11	0927-1	1		2420	2168	252
3	56--17	11	0867-1	1		3955	3712	243
3	56--18	11	0927-1	33				
3	56--19	11	0927-1	1		2291	2101	190
3	56--20	11	0927-1	1		2425	2072	353
3	56--21	11	0927-1	1		2440	2162	278
3	56--22	11	0927-1	1		2500	2158	342
3	56--23	11	0727-1	1		2157	1867	290
3	56--24	11	0769-1	2	7	2152	1944	208
3	56--25	11	0727-1	2	7	2021	1822	199
3	56--26	11	1569-1	34	11			
3	56--27	11	1839-1	33				
3	56--28	11	1235-1	33				
3	56--29	11	1839-1	1		2847	2674	173
3	56--30	11	1837-1	1		2870	2679	191
3	56--31	11	1635-1	1		2672	2491	181
3	56--32	11	1611-1	2		2467	2210	257
3	57--01	11	0927-1	1		2395	2191	204
3	57--02	11	1839-0	31				
3	57--03	11	0927-1	33				
3	57--05	11	0769-1	2	7	2295	1998	297
3	57--06	11	1735-1	2	7	2693	2455	238
3	57--07	11	1635-0	31				
3	57--08	11	1837-1	2	11	2800	2583	217
3	57--09	11	1837-1	2	11	2928	2723	205

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[fol. 1592]

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	57--10	11	1811-1	1		2760	2485	275
3	57--11	11	1837-1	1		2854	2592	262
3	57--12	11	1839-0	31				
3	57--13	11	0727-1	33				
3	57--14	11	1635-1	33				
3	57--15	11	0927-1	1		2500	2148	352
3	57--16	11	0927-1	1		2469	2205	264
3	57--17	11	1837-1	1		2745	2486	259
3	57--18	11	0927-1	1		2421	2160	261
3	57--19	11	1839-1	33		3091	2785	306
3	57--20	11	1839-1	1				
3	57--21	11	1839-0	31	7			
3	57--22	11	1837-1	34				
3	57--23	11	1837-1	35				
3	57--24	11	1737-1	1		2557	2204	353
3	57--25	11	1235-1	33				
3	57--26	11	1845-1	2	7	3625	3301	324
3	57--27	11	0867-1	33		2977	2707	270
3	57--28	11	1839-1	2				
3	57--29	11	1837-1	35				
3	57--30	11	1135-1	35				
3	57--31	11	0769-1	1		2161	1923	238
3	57--32	11	0769-1	35				
3	58--01	11	0927-1	33				
3	58--02	11	0927-1	33	11	2153	1913	240
3	58--03	11	0527-1	2		2159	2021	138
3	58--04	11	0769-1	1	7	2372	2121	251
3	58--05	11	0927-1	2	7	2461	2160	301
3	58--06	11	0927-1	2	11	2222	2011	211
3	58--07	11	0727-1	2	11	2361	2158	203
3	58--08	11	0927-1	2	7	2344	2101	243
3	58--09	11	0927-1	2		2497	2158	309
3	58--10	11	0927-1	2				

SELLING

MODEL NO.

DEALER NO.	PG.	LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	58--11	11	11	0769-1	2	7	2335	2092	243
3	58--12	11	11	0727-1	2	7	2262	1985	277
3	58--13	11	11	0727-1	33				
3	58--14	11	11	0727-1	35				
3	58--15	11	11	1111-1	1				
3	58--16	11	11	1169-1	35		2181	2048	133
3	58--17	11	11	1837-1	1				
3	58--18	11	11	1635-1	2	7	2365	2341	44
3	58--19	11	11	1537-1	1		2971	2764	207
3	58--20	11	11	0727-1	33		2470	2190	280
3	58--21	11	11	0727-1	1				
3	58--22	11	11	0927-1	1		2194	2000	194
3	58--23	11	11	0927-1	1		2437	2137	300
3	58--24	11	11	0927-1	1		2397	2182	215
3	58--25	11	11	0927-1	1		2334	2156	178
3	58--26	11	11	0927-1	1		2374	2108	266
3	58--27	11	11	1837-0	31				
3	58--28	11	11	1235-1	1		2708	2555	153
3	58--29	11	11	1535-1	33				
3	58--30	11	11	1569-1	2	7	2539	2311	228
3	58--31	11	11	1839-1	34	11			
3	58--32	11	11	1845-1	35				
3	59--01	11	11	1637-1	1		2731	2527	204
3	59--02	11	11	1839-1	33				
3	59--04	11	11	1837-1	35				
3	59--05	11	11	0927-1	33				
3	59--06	11	11	0727-1	2		2225	1861	364
3	59--07	11	11	0927-1	1		2400	2118	282
3	59--08	11	11	0727-1	34	12			
3	59--09	11	11	1869-1	1		2838	2641	197
3	59--10	11	11	1835-1	33				
3	59--11	11	11	1235-0	31				
3	59--12	11	11	1219-0	31				
3	59--12	11	11	1215-0	31				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	59--13	11	1569-1	33		2397	2154	243
3	59--14	11	1169-1	1		2929	2738	191
3	59--15	11	1837-1	1				
3	59--16	11	1135-0	31				
3	59--17	11	1535-1	1		2720	2520	200
3	59--18	11	1835-1	1		3266	2918	348
3	59--19	11	1169-1	1		2122	2006	116
3	59--20	11	1119-0	31				
3	59--21	11	0769-0	31		4173	3976	197
3	59--22	11	0867-1	1				
3	59--23	11	1839-0	31				
3	59--24	11	1837-1	35				
3	59--25	11	1569-1	33				
3	59--26	11	1837-1	1		2983	2848	135
3	59--27	11	1135-1	1		2565	2312	253
3	59--28	11	1635-1	1		2851	2681	170
3	59--29	11	1837-1	34				
3	59--30	11	1837-1	33	7			
3	59--31	11	1837-1	33				
3	59--32	11	1837-1	1		2958	2823	135
3	60--01	11	1669-1	33				
3	60--02	11	0769-1	2	7	2296	2060	236
3	60--03	11	0769-1	2	7	2327	2043	284
3	60--04	11	1635-1	2	7	3007	2781	226
3	60--05	11	0927-1	1		2375	2186	189
3	60--06	11	0927-1	1		2270	2054	216
3	60--07	11	1111-1	2	7	2247	1964	283
3	60--10	11	1837-1	1		2686	2479	207
3	60--11	11	1837-1	1		2885	2609	276
3	60--12	11	1839-0	31				
3	60--13	11	1837-1	1		2957	2681	276
3	60--14	11	1635-1	1		2972	2722	191
3	60--15	11	1635-1	1		2963	2651	257

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	60--16	11	1635-1	33				
3	60--17	11	0927-1	1		2392	2180	212
3	60--18	11	1837-1	33				
3	60--19	11	0727-1	1		2075	1858	217
3	60--20	11	0927-1	1		2463	2159	304
3	60--21	11	0927-1	1		2423	2109	314
3	60--22	11	1839-1	1		3194	3053	141
3	60--23	11	0769-1	1		2300	2080	220
3	60--24	11	0569-1	1		2151	1862	289
3	60--25	11	1839-0	31				
3	60--26	11	0769-1	1		2266	2099	167
3	60--27	11	1669-1	1		2594	2390	204
3	60--28	11	0769-1	1		2358	2066	292
3	60--29	11	0927-1	1		2394	2207	187
3	60--30	11	0735-1	33				
3	60--31	11	0927-1	1		2413	2160	253
3	60--32	11	0727-1	33				
3	61--01	11	0927-1	2	10	2332	2074	258
3	61--02	11	0927-1	1		2478	2181	297
3	61--03	11	0727-1	1		2166	1946	220
3	61--04	11	0727-1	1		2236	1999	237
3	61--05	11	1837-0	31				
3	61--06	11	1839-1	1		2814	2691	123
3	61--07	11	1645-0	31				
3	61--08	11	1135-1	2	11	2694	2485	209
3	61--09	11	1835-1	33				
3	61--10	11	1839-1	1		2890	2722	168
3	61--11	11	1837-1	33				
3	61--12	11	0727-1	1		2280	2027	253
3	61--13	11	0769-1	1		1983	1870	113
3	61--14	11	0927-1	1		2475	2186	289
3	61--15	11	0735-1	1		2442	2286	156
3	61--16	11	0769-1	1		2290	2070	220

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	61--17	11	1569-1	33				
3	61--18	11	1169-1	34	7			
3	61--19	11	1111-1	34	7			
3	61--20	11	1669-1	33				
3	61--21	11	1569-1	33				
3	61--22	11	1835-1	33				
3	61--23	11	0727-1	1		2130	1903	227
3	61--24	11	1635-1	2	7	2991	2782	209
3	61--25	11	1837-1	33				
3	61--26	11	1839-1	33				
3	61--27	11	1837-1	2				
3	61--28	11	1111-1	1	11	2913	2678	235
3	61--29	11	1839-1	1		2182	2072	110
3	61--31	11	1635-1	1		3196	3132	64
3	61--32	11	0927-1	1		3239	3048	191
3	62--01	11	1839-1	1		2430	2188	242
3	62--02	11	1837-1	34	7	2975	2661	314
3	62--03	11	1635-1	1				
3	62--04	11	1635-1	1		2872	2737	135
3	62--05	11	1867-1	1		2932	2747	185
3	62--06	11	0727-1	1		3140	2893	247
3	62--07	11	0727-1	1		2245	1997	248
3	62--08	11	0927-1	1		2306	2045	261
3	62--09	11	0927-1	2	7	2321	2060	261
3	62--10	11	0927-1	2	7	2435	2193	242
3	62--12	11	0927-1	2	7	2352	2185	167
3	62--13	11	0569-0	1		2433	2140	293
3	63--02	12	1839-1	31	11	2940	2689	251
3	63--03	12	1837-1	2	11	3076	2752	324
3	63--04	12	1867-0	31				
3	63--05	12	1837-1	33				
3	63--06	12	0727-1	1				
3	63--07	12	0727-1	1				
3	63--08	12	0727-1	1				
3	63--09	12	0727-1	1				
3	63--10	12	0727-1	1				
3	63--11	12	0727-1	1				
3	63--12	12	0727-1	1				
3	63--13	12	0727-1	1				
3	63--14	12	0727-1	1				
3	63--15	12	0727-1	1				
3	63--16	12	0727-1	1				
3	63--17	12	0727-1	1				
3	63--18	12	0727-1	1				
3	63--19	12	0727-1	1				
3	63--20	12	0727-1	1				
3	63--21	12	0727-1	1				
3	63--22	12	0727-1	1				
3	63--23	12	0727-1	1				
3	63--24	12	0727-1	1				
3	63--25	12	0727-1	1				
3	63--26	12	0727-1	1				
3	63--27	12	0727-1	1				
3	63--28	12	0727-1	1				
3	63--29	12	0727-1	1				
3	63--30	12	0727-1	1				
3	63--31	12	0727-1	1				
3	63--32	12	0727-1	1				
3	63--33	12	0727-1	1				
3	63--34	12	0727-1	1				
3	63--35	12	0727-1	1				
3	63--36	12	0727-1	1				
3	63--37	12	0727-1	1				
3	63--38	12	0727-1	1				
3	63--39	12	0727-1	1				
3	63--40	12	0727-1	1				
3	63--41	12	0727-1	1				
3	63--42	12	0727-1	1				
3	63--43	12	0727-1	1				
3	63--44	12	0727-1	1				
3	63--45	12	0727-1	1				
3	63--46	12	0727-1	1				
3	63--47	12	0727-1	1				
3	63--48	12	0727-1	1				
3	63--49	12	0727-1	1				
3	63--50	12	0727-1	1				
3	63--51	12	0727-1	1				
3	63--52	12	0727-1	1				
3	63--53	12	0727-1	1				
3	63--54	12	0727-1	1				
3	63--55	12	0727-1	1				
3	63--56	12	0727-1	1				
3	63--57	12	0727-1	1				
3	63--58	12	0727-1	1				
3	63--59	12	0727-1	1				
3	63--60	12	0727-1	1				
3	63--61	12	0727-1	1				
3	63--62	12	0727-1	1				
3	63--63	12	0727-1	1				
3	63--64	12	0727-1	1				
3	63--65	12	0727-1	1				
3	63--66	12	0727-1	1				
3	63--67	12	0727-1	1				
3	63--68	12	0727-1	1				
3	63--69	12	0727-1	1				
3	63--70	12	0727-1	1				
3	63--71	12	0727-1	1				
3	63--72	12	0727-1	1				
3	63--73	12	0727-1	1				
3	63--74	12	0727-1	1				
3	63--75	12	0727-1	1				
3	63--76	12	0727-1	1				
3	63--77	12	0727-1	1				
3	63--78	12	0727-1	1				
3	63--79	12	0727-1	1				
3	63--80	12	0727-1	1				
3	63--81	12	0727-1	1				
3	63--82	12	0727-1	1				
3	63--83	12	0727-1	1				
3	63--84	12	0727-1	1				
3	63--85	12	0727-1	1				
3	63--86	12	0727-1	1				
3	63--87	12	0727-1	1				
3	63--88	12	0727-1	1				
3	63--89	12	0727-1	1				
3	63--90	12	0727-1	1				
3	63--91	12	0727-1	1				
3	63--92	12	0727-1	1				
3	63--93	12	0727-1	1				
3	63--94	12	0727-1	1				
3	63--95	12	0727-1	1				
3	63--96	12	0727-1	1				
3	63--97	12	0727-1	1				
3	63--98	12	0727-1	1				
3	63--99	12	0727-1	1				
3	63--100	12	0727-1	1				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	63--08	12	0735-1	1		2566	2342	224
3	63--09	12	0927-1	1		2233	2058	175
3	63--10	12	0927-1	1		2512	2160	352
3	63--11	12	0927-1	1		2332	2158	174
3	63--12	12	1837-1	1		2802	2623	179
3	63--13	12	1835-1	1		3824	3418	406
3	63--14	12	1839-1	1		2951	2629	322
3	63--15	12	1837-0	31				
3	63--16	12	1837-1	1		2847	2647	200
3	63--17	12	1839-1	1		3071	2715	356
3	63--18	12	1837-1	1		3150	2594	556
3	63--19	12	0927-1	1		2311	2172	139
3	63--20	12	0927-1	1		2410	2064	346
3	63--21	12	0927-1	1		2358	2140	218
3	63--22	12	1111-1	1		2264	2114	150
3	63--23	12	1839-1	1		2864	2749	115
3	63--24	12	1111-1	1		2383	2156	227
3	63--25	12	1169-1	35				
3	63--26	12	1169-1	2				
3	63--27	12	1837-0	31	11	2333	2225	108
3	63--28	12	1111-1	1				
3	63--29	12	0769-1	1		2162	1924	238
3	63--30	12	0927-1	1		2232	2023	209
3	63--31	12	0927-1	1		2336	2139	197
3	63--32	12	0927-1	1		2412	2201	211
3	64--01	12	0927-1	1		2286	2004	282
3	64--02	12	0927-1	2	10	2240	2146	94
3	64--03	12	0927-1	1		2419	2197	222
3	64--04	12	0727-1	33				
3	64--05	12	0927-1	2	7	2224	1998	226
3	64--06	12	0927-1	2	7	2286	2101	185
3	64--07	12	0735-1	2	7	2466	2234	232
3	64--08	12	0927-1	1		2381	2201	180
3		12	1839-1	2	11	2934	2682	252

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	64--09	12	1837-0	31			2735	263
3	64--10	12	1837-1	2	11	2998	2134	151
3	64--11	12	0927-1	1		2285		
3	64--12	12	1739-1	35			2058	272
3	64--13	12	0927-1	1		2330		
3	64--14	12	0927-1	33			1989	206
3	64--15	12	0727-1	1	11	2195	2016	333
3	64--16	12	0927-1	2		2349		
3	64--17	12	0927-1	33				
3	64--18	12	0735-1	33				
3	64--19	12	0922-1	1		2503	2186	317
3	64--20	12	0735-1	1		2562	2324	238
3	64--21	12	0727-1	1		2200	1993	207
3	64--22	12	0769-1	1		2038	1942	96
3	64--23	12	1837-1	35				
3	64--24	12	1869-1	1		2541	2400	141
3	64--25	12	1669-1	1		2492	2405	87
3	64--26	12	1845-1	1		3333	3092	241
3	64--27	12	1837-1	33				
3	64--28	12	1635-1	1		2904	2725	179
3	64--29	12	1511-1	1		2443	2211	232
3	64--30	12	1839-1	1		2777	2638	139
3	64--31	12	1111-1	35				
3	64--32	12	1839-1	1		3094	2732	362
3	65--01	12	1635-1	1		2939	2727	212
3	65--02	12	1837-1	1		3025	2752	273
3	65--03	12	1535-1	1		2850	2722	128
3	65--04	12	1837-1	1		3221	2958	263
3	65--05	12	0927-1	1		2401	2186	215
3	65--06	12	0927-1	1		2452	2211	221
3	65--07	12	0927-1	1		2426	2103	257
3	65--08	12	0927-1	1		2426	2179	257

SELLING

MODEL NO.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	65--10	12	0769-1	1		2321	2078	243
3	65--11	12	1837-0	31				
3	65--12	12	1839-1	1		3356	3084	272
3	65--13	12	1835-1	33				
3	65--14	12	1839-1	1		3020	2655	365
3	65--15	12	1635-1	1		3177	2850	327
3	65--16	12	1837-1	34	11			
3	65--17	12	0867-1	2	11	3944	3635	309
3	65--18	12	0927-1	1		2414	2199	215
3	65--19	12	0927-1	1	11	2410	2129	281
3	65--20	12	0727-1	2		2247	2014	233
3	65--21	12	0927-1	1		2347	2081	266
3	65--22	12	0927-1	1		2315	2196	119
3	65--23	12	0927-1	1		2411	2196	215
3	65--24	12	0927-1	1		2429	2040	389
3	65--25	12	1837-1	2	11	2883	2648	235
3	65--26	12	1837-1	1		2749	2555	194
3	65--27	12	1637-0	31				
3	65--28	12	1835-1	1		3570	3301	269
3	65--29	12	1839-1	35				
3	65--30	12	1837-1	1		2824	2665	159
3	65--31	12	1135-1	2	11	2684	2452	232
3	65--32	12	1537-1	2	11	2574	2382	192
3	66--01	12	0735-1	2	11	2520	2339	181
3	66--02	12	0927-1	1		2265	2055	210
3	66--03	12	1235-1	1		2670	2491	179
3	66--04	12	1111-1	2	7	2075	1879	196
3	66--05	12	1845-1	2	7	3183	2878	305
3	66--06	12	1535-1	1		2748	2661	87
3	66--07	12	1837-1	33				
3	66--08	12	0927-1	1		2082	1994	88
3	66--09	12	1867-1	1		2874	2760	114
3	66--10	12	1837-1	1		2753	2562	191

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	66--11	12	1837-1	1		2825	2604	221
3	66--12	12	1635-1	2	11	3273	3062	211
3	66--13	12	1839-1	2	11	2908	2670	238
3	66--14	12	1837-1	1		3090	2690	400
3	66--15	12	1739-1	2	7	2504	2313	191
3	66--16	12	1839-0	31				
3	66--17	12	1837-1	1		2994	2906	88
3	66--18	12	1837-1	1		2930	2727	203
3	66--20	12	1837-1	1		2684	2587	97
3	66--21	12	0927-1	35				
3	66--22	12	0769-1	1		2262	2061	201
3	66--23	12	0927-1	2	7	2395	2162	233
3	66--24	12	0927-1	1		2522	2207	315
3	66--25	12	0927-1	1		2402	2123	279
3	66--26	12	0735-1	2	11	2384	2169	215
3	66--27	12	0927-1	2	11	2418	2098	320
3	66--28	12	0927-1	1		2174	2098	76
3	66--29	12	0927-1	1		2213	2129	84
3	66--30	12	0927-1	2	7	2316	2121	195
3	66--31	12	0769-1	1		2194	2060	134
3	66--32	12	1845-1	2	7	3490	3083	407
3	67--01	12	1635-1	2	7	2983	2716	267
3	67--02	12	1867-1	2	7	3087	2821	266
3	67--03	12	1637-1	1		2671	2422	249
3	67--04	12	1111-1	33				
3	67--05	12	1837-1	1		2843	2624	219
3	67--06	12	1767-1	1		2738	2522	216
3	67--07	12	1737-1	1		2338	2224	114
3	67--08	12	1837-1	1		2739	2566	173
3	67--09	12	0769-1	1		2252	2047	205
3	67--10	12	0927-1	1		2374	2166	178

0927-1
12
07-10

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	67--13	12	0927-1	2	7	2400	2123	277
3	67--14	12	0927-1	2	7	2428	2192	236
3	67--15	12	0927-1	2	11	2327	2111	216
3	67--16	12	1835-1	1		3167	3015	152
3	67--17	12	1635-1	1		3321	3025	296
3	67--18	12	1269-1	1		2325	2147	178
3	67--19	12	1839-1	1		2903	2766	137
3	67--20	12	1635-1	1		3250	3098	152
3	67--21	12	1835-1	1		3173	3039	134
3	67--22	12	1769-1	33				
3	67--23	12	1635-1	33				
3	67--24	12	0727-1	1		2214	2056	158
3	67--26	12	0727-1	33				
3	67--27	12	0769-1	1		2144	2015	129
3	67--28	12	0927-1	2	7	2219	2027	192
3	67--29	12	0927-1	1		2426	2190	236
3	67--30	12	0927-1	2	11	2365	2190	175
3	67--31	12	0727-1	2	7	2232	2037	195
3	67--32	12	0927-1	2	7	2403	2186	217
3	68--01	12	1835-1	1		3071	2931	140
3	68--02	12	1235-1	2	7	2774	2574	200
3	68--03	12	1611-1	1		2522	2361	161
3	68--04	12	1837-1	33				
3	69--05	12	1235-1	1		2696	2569	127
3	68--06	12	1635-1	1		2889	2631	258
3	68--07	12	1235-1	33				
3	68--08	12	1837-1	2	7	2989	2767	222
3	68--15	12	1839-1	2	7	2893	2666	227
3	68--16	12	1111-1	1		2249	2089	160
3	68--17	12	1837-1	1		2666	2591	75
3	68--18	12	1837-1	2	11	2942	2687	255
3	68--19	12	1837-1	1		2753	2548	205
3	68--20	12	1269-1	2	11	2600	2384	216

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	68--21	12	1837-1	1		2932	2747	185
3	68--22	12	1835-1	33				
3	68--23	12	1837-1	1		2803	2640	163
3	68--24	12	1835-1	1		3029	2861	168
3	68--25	12	1837-1	2	11	2828	2646	182
3	68--26	12	1837-1	2	7	2791	2567	224
3	68--27	12	1845-1	33				
3	68--28	12	1235-1	1		2760	2440	320
3	68--29	12	1235-1	33				
3	68--30	12	1837-1	1		2935	2712	223
3	68--31	12	1569-1	1		2375	2344	31
3	68--32	12	1867-1	1		3145	2933	212
3	69--01	12	1867-1	33				
3	69--02	12	0727-1	2	7	2270	1978	292
3	69--03	12	0927-1	1		2247	2085	162
3	69--04	12	0927-1	33				
3	69--05	12	0927-1	2	7	2367	2207	160
3	69--06	12	0927-1	33				
3	69--07	12	0927-1	1		2336	2172	164
3	69--08	12	0927-1	33				
3	69--09	12	0535-1	1				
3	69--10	12	0927-1	1		2519	2232	287
3	69--11	12	0769-1	1		2385	2165	220
3	69--12	12	0927-1	1		2225	1997	228
3	69--13	12	0735-1	2	7	2313	2134	179
3	69--14	12	0927-1	1		2542	2255	287
3	69--15	12	0735-1	1		2325	2183	142
3	69--16	12	0927-1	1		2456	2216	240
3	69--17	12	0927-1	1		2395	2176	219
3	69--18	12	0727-1	2	11	2106	1939	167
3	69--19	12	0735-1	1		2330	2193	137
3	69--20	12	1837-1	1		2849	2634	215
3	69--21	12	1837-1	1		3030	2761	269
3	69--22	12	1839-1	1		2989	2709	280

NET
COST

MODEL NO.

288 2709 2889 1 1839-1 12 00-00-01 3

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	69--22	12	1845-1	1				
3	69--23	12	1211-1	1		3447	3130	317
3	69--24	12	1837-1	33		2605	2272	333
3	69--25	12	1111-1	1		2332	2116	216
3	69--26	12	1839-1	35				
3	69--27	12	1837-1	33				
3	69--28	12	1837-1	35				
3	69--29	12	1837-1	1				
3	69--30	12	1839-1	1		2912	2679	233
3	69--32	12	1839-1	1		2777	2661	116
3	70--01	12	1837-1	1		2879	2749	130
3	70--05	12	0867-1	2	7	2833	2650	183
3	70--06	12	1835-1	2	7	3897	3587	310
3	70--07	12	0769-1	1		2983	2764	219
3	70--08	12	0927-1	33		2103	2025	78
3	70--09	12	0927-1	33				
3	70--11	12	0927-1	2	11	2379	2192	187
3	70--12	12	1837-1	34	11			
3	C 17--02	11	R1206-1	33				
3	C 18--06	12	R1206-1	1		2925	2606	319
3	C 18--15	12	R1206-1	33				
3	F 1--01	1	1837-0	33				
3	F 1--02	1	1839-0	33				
3	F 1--03	1	1619-0	33				
3	F 1--04	1	1639-0	33				
3	F 1--05	1	1639-0	33				
3	F 1--06	1	1639-0	33				
3	F 1--07	1	1639-0	33				
3	F 1--08	1	1639-0	33				
3	F 1--09	1	1639-0	33				
3	F 1--10	1	1839-0	33				
3	F 1--11	1	1839-0	33				
3	F 1--12	1	1867-0	33				

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 1-13	1	1867-0	33				
3	F 1-14	1	1619-0	33				
3	F 1-15	1	1619-0	33				
3	F 1-16	1	1219-0	33				
3	F 1-17	1	1219-0	33				
3	F 1-20	1	1839-0	33				
3	F 1-21	1	1619-0	33				
3	F 1-22	1	1619-0	33				
3	F 1-23	1	1619-0	33				
3	F 1-24	1	0769-0	33				
3	F 1-25	1	0769-0	33				
3	F 1-26	1	0769-0	33				
3	F 1-27	1	0769-0	33				
3	F 1-28	1	0769-0	33				
3	F 1-29	1	1639-0	33				
3	F 1-30	1	1639-0	33				
3	F 1-31	1	1639-0	33				
3	F 1-32	1	1619-0	33				
3	F 2-01	1	1839-0	33				
3	F 2-02	1	0769-0	33				
3	F 2-03	1	0769-0	33				
3	F 2-04	1	0769-0	33				
3	F 2-05	1	1839-0	33				
3	F 2-06	1	1839-0	33				
3	F 2-07	1	1839-0	33				
3	F 2-08	1	1839-0	33				
3	F 2-09	1	1839-0	33				
3	F 2-10	1	1839-0	33				
3	F 2-11	1	1639-0	33				
3	F 2-12	1	0769-0	33				
3	F 2-13	1	0769-0	33				
3	F 2-14	1	1619-0	33				
3	F 2-15	1	1219-0	33				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 2--16	1	1839-0	33				
3	F 2--17	1	1839-0	33				
3	F 2--18	1	1839-0	33				
3	F 2--19	1	1839-0	33				
3	F 2--20	1	1119-0	33				
3	F 2--21	1	1837-0	33				
3	F 2--22	1	1219-0	33				
3	F 2--23	1	1839-0	33				
3	F 2--24	1	1219-0	33				
3	F 2--25	1	1219-0	33				
3	F 2--26	1	1839-0	33				
3	F 2--27	1	1839-0	33				
3	F 2--28	1	1839-0	33				
3	F 2--29	1	1839-0	33				
3	F 2--30	1	1839-0	33				
3	F 2--31	1	1839-0	33				
3	F 2--32	1	1839-0	33				
3	F 3--01	1	0769-0	33				
3	F 3--03	1	1235-0	33				
3	F 3--07	1	1219-0	33				
3	F 3--08	1	1839-0	33				
3	F 3--09	1	1839-0	33				
3	F 3--10	1	1839-0	33				
3	F 3--11	1	0769-0	33				
3	F 3--12	1	1219-0	33				
3	F 3--13	1	1219-0	33				
3	F 4--02	2	0769-0	33				
3	F 4--03	2	1839-0	33				
3	F 4--04	2	1839-0	33				
3	F 4--05	2	0569-0	33				
3	F 4--06	2	1219-0	33				
3	F 4--07	2	1235-0	33				
3	F 4--08	2	1219-0	33				

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - CITIZENS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 4--09	2	1219-0	33				
3	F 4--10	2	1837-0	33				
3	F 4--11	2	1837-0	33				
3	F 4--12	2	1219-0	33				
3	F 4--13	2	1219-0	33				
3	F 4--14	2	1219-0	33				
3	F 4--15	2	1619-0	33				
3	F 4--16	2	0769-0	33				
3	F 4--17	2	0769-0	33				
3	F 4--18	2	1839-0	33				
3	F 4--19	2	1839-0	33				
3	F 4--20	2	1219-0	33				
3	F 4--21	2	1611-0	33				
3	F 4--22	2	1835-0	33				
3	F 4--23	2	1219-0	33				
3	F 4--24	2	1619-0	33				
3	F 4--25	2	0769-0	33				
3	F 4--26	2	0569-0	33				
3	F 4--27	2	0769-0	33				
3	F 4--28	2	1819-0	33				
3	F 4--29	2	1219-0	33				
3	F 4--30	2	1837-0	33				
3	F 4--31	2	1619-0	33				
3	F 4--32	2	1839-0	33				
3	F 5--01	2	1867-0	33				
3	F 5--03	2	1839-0	33				
3	F 5--04	2	0769-0	33				
3	F 5--05	2	1867-0	33				
3	F 5--06	2	1839-0	33				
3	F 5--07	2	1219-0	33				
3	F 5--08	2	1119-0	33				
3	F 5--09	2	1219-0	33				
3	F 5--10	2	1219-0	33				

1210-0 33
1210-0 33
5-00 2
5-00 2

DEALER NO. PG. - LINE NO. MONTH SOLD MODEL NO. AND YEAR TYPE OF SALE OUTLET NO. * SELLING PRICE TO CUSTOMER DEALER INVOICE MARKUP

3	F	5--11	2	1210-0	33	
3	F	5--12	2	1839-0	33	
3	F	5--13	2	1839-0	33	
3	F	5--14	2	0769-0	33	
3	F	5--15	2	1839-0	33	
3	F	5--16	2	1635-0	33	
3	F	5--18	2	1635-0	33	
3	F	5--19	2	0769-0	33	
3	F	5--20	2	0769-0	33	
3	F	5--21	2	0769-0	33	
3	F	5--22	2	0769-0	33	
3	F	5--23	2	0769-0	33	
3	F	5--24	2	0769-0	33	
3	F	5--25	2	1219-0	33	
3	F	5--26	2	1219-0	33	
3	F	5--27	2	1837-0	33	
3	F	5--28	2	1837-0	33	
3	F	5--29	2	1837-0	33	
3	F	5--30	2	1837-0	33	
3	F	5--31	2	1837-0	33	
3	F	5--32	2	1837-0	33	
3	F	6--01	2	1619-0	33	
3	F	6--02	2	1619-0	33	
3	F	6--03	2	1837-0	33	
3	F	6--04	2	1837-0	33	
3	F	6--05	2	1235-0	33	
3	F	6--06	2	1837-0	33	
3	F	6--07	2	1837-0	33	
3	F	6--08	2	1837-0	33	
3	F	6--09	2	1837-0	33	
3	F	6--10	2	1235-0	33	
3	F	6--11	2	1235-0	33	
3	F	6--12	2	1235-0	33	

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 6--13	2	1235-0	33				
3	F 6--14	2	1645-0	33				
3	F 6--15	2	1235-0	33				
3	F 6--16	2	1611-0	33				
3	F 6--17	2	1611-0	33				
3	F 6--18	2	1839-0	33				
3	F 6--19	2	1839-0	33				
3	F 6--20	2	0769-0	33				
3	F 7--02	3	1837-0	33				
3	F 7--03	3	1837-0	33				
3	F 7--04	3	1837-0	33				
3	F 7--05	3	1837-0	33				
3	F 7--06	3	1611-0	33				
3	F 7--08	3	1211-0	33				
3	F 7--09	3	1235-0	33				
3	F 7--10	3	1219-0	33				
3	F 7--11	3	1839-0	33				
3	F 7--12	3	1219-0	33				
3	F 7--13	3	1837-0	33				
3	F 7--16	3	1839-0	33				
3	F 7--17	3	1837-0	33				
3	F 7--18	3	1219-0	33				
3	F 7--19	3	1611-0	33				
3	F 7--20	3	1837-0	33				
3	F 7--21	3	1837-0	33				
3	F 7--22	3	1219-0	33				
3	E 7--23	3	1839-0	33				
3	F 7--24	3	1619-0	33				
3	F 7--25	3	1219-0	33				
3	F 7--26	3	1219-0	33				
3	F 7--27	3	1219-0	33				
3	F 7--28	3	1219-0	33				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 7--30	3	1635-0	33				
3	F 7--31	3	1611-0	33				
3	F 7--32	3	1837-0	33				
3	F 8--01	3	1619-0	33				
3	F 8--02	3	1839-0	33				
3	F 8--03	3	1619-0	33				
3	F 8--04	3	1839-0	33				
3	F 8--05	3	1619-0	33				
3	F 8--06	3	1839-0	33				
3	F 8--07	3	1867-0	33				
3	F 8--08	3	1839-0	33				
3	F 8--09	3	1837-0	33				
3	F 8--10	3	1619-0	33				
3	F 8--11	3	1839-0	33				
3	F 8--12	3	1837-0	33				
3	F 8--13	3	1611-0	33				
3	F 8--14	3	1839-0	33				
3	F 8--15	3	1619-0	33				
3	F 8--17	3	1639-0	33				
3	F 8--18	3	1837-0	33				
3	F 8--19	3	1839-0	33				
3	F 8--20	3	0727-0	33				
3	F 8--21	3	1839-0	33				
3	F 8--22	3	1839-0	33				
3	F 9--01	4	1839-0	33				
3	F 9--02	4	1837-0	33				
3	F 9--03	4	1219-0	33				
3	F 9--04	4	1211-0	33				
3	F 9--05	4	1619-0	33				
3	F 9--06	4	1839-0	33				
3	F 9--07	4	1619-0	33				
3	F 9--08	4	1611-0	33				
3	F 9--09	4	1215-0	33				

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 9--10	4	1635-0	33				
3	F 9--11	4	1619-0	33				
3	F 9--12	4	1619-0	33				
3	F 9--13	4	1839-0	33				
3	F 9--14	4	1635-0	33				
3	F 9--15	4	1611-0	33				
3	F 9--16	4	0727-0	33				
3	F 9--17	4	1619-0	33				
3	F 9--18	4	1635-0	33				
3	F 9--19	4	0769-0	33				
3	F 9--20	4	1839-0	33				
3	F 9--21	4	1837-0	33				
3	F 10--04	5	1219-0	33				
3	F 10--05	5	1235-0	33				
3	F 10--06	5	1839-0	33				
3	F 10--07	5	1611-0	33				
3	F 10--08	5	1645-0	33				
3	F 10--09	5	1839-0	33				
3	F 10--10	5	1619-0	33				
3	F 10--11	5	1611-0	33				
3	F 10--13	5	1619-0	33				
3	F 10--14	5	1619-0	33				
3	F 10--15	5	0727-0	33				
3	F 10--16	5	1235-0	33				
3	F 10--17	5	1635-0	33				
3	F 10--18	5	1837-0	33				
3	F 10--19	5	1235-0	33				
3	F 10--20	5	1611-0	33				
3	F 10--22	5	1839-0	33				
3	F 10--23	5	1611-0	33				
3	F 10--24	5	1611-0	33				
3	F 10--25	5	1611-0	33				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 10--26	5	1619-0	33				
3	F 10--27	5	1619-0	33				
3	F 10--28	5	1635-0	33				
3	F 11--01	6	1619-0	33				
3	F 11--02	6	1839-0	33				
3	F 11--03	6	1635-0	33				
3	F 11--04	6	1639-0	33				
3	F 11--05	6	1619-0	33				
3	F 11--06	6	1619-0	33				
3	F 11--08	6	1619-0	33				
3	F 11--09	6	1839-0	33				
3	F 11--10	6	1839-0	33				
3	F 11--11	6	1635-0	33				
3	F 11--12	6	1837-0	33				
3	F 11--14	6	1839-0	33				
3	F 12--01	7	1645-0	33				
3	F 12--03	7	1839-0	33				
3	F 12--04	7	1635-0	33				
3	F 12--05	7	0927-0	33				
3	F 12--06	7	1619-0	33				
3	F 12--07	7	1119-0	34				
3	F 12--08	7	1219-0	33				
3	F 12--09	7	1211-0	33				
3	F 12--10	7	1211-0	33				
3	F 12--11	7	1211-0	33				
3	F 12--12	7	1211-0	33				
3	F 12--13	7	1211-0	33				
3	F 12--14	7	1211-0	33				
3	F 12--15	7	1211-0	33				
3	F 12--16	7	1211-0	33				
3	F 12--17	7	1619-0	33				
3	F 12--18	7	1867-0	33				
3	F 12--19	7	1619-0	33				

*SEE ATTA HED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 12--20	7	0727-0	33				
3	F 13--01	8	0867-0	33				
3	F 13--02	8	1839-0	33				
3	F 13--03	8	1839-0	33				
3	F 13--04	8	0527-0	33				
3	F 14--01	9	0769-0	33				
3	F 15--01	10	1837-1	33				
3	F 15--02	10	1837-1	33				
3	F 15--03	10	1837-1	33				
3	F 15--04	10	1837-1	33				
3	F 15--05	10	1837-1	33				
3	F 15--06	10	1837-1	33				
3	F 15--07	10	1839-1	33				
3	F 15--08	10	1839-1	33				
3	F 15--09	10	1839-1	33				
3	F 15--10	10	1839-1	33				
3	F 15--11	10	1839-1	33				
3	F 15--12	10	1839-1	33				
3	F 15--13	10	1839-1	33				
3	F 15--14	10	1837-1	33				
3	F 15--15	10	1837-1	33				
3	F 15--16	10	1837-1	33				
3	F 15--17	10	1837-1	33				
3	F 15--18	10	1839-1	33				
3	F 15--19	10	1839-1	33				
3	F 15--20	10	1839-1	33				
3	F 15--21	10	1839-1	33				
3	F 15--22	10	1839-1	33				
3	F 15--23	10	1839-1	33				
3	F 15--24	10	1839-1	33				
3	F 15--25	10	1839-1	33				
3	F 15--26	10	1839-1	33				
3	F 15--27	10	1839-1	33				
3	F 15--28	10	1839-1	33				
3	F 15--29	10	1839-1	33				
3	F 15--30	10	1839-1	33				

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F 15--29 10 1839-1 33

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 15--28	10	1839-1	33				
3	F 15--29	10	1839-1	33				
3	F 15--30	10	1839-1	33				
3	F 15--31	10	1839-1	33				
3	F 16--01	10	1235-1	33				
3	F 16--02	10	1839-1	33				
3	F 16--03	10	1669-1	33				
3	F 16--06	10	1839-1	33				
3	F 16--07	10	1669-1	33				
3	F 16--08	10	1669-1	33				
3	F 16--09	10	1611-1	33				
3	F 16--10	10	1669-1	33				
3	F 16--11	10	1669-1	33				
3	F 16--12	10	1611-1	33				
3	F 16--13	10	1669-1	33				
3	F 16--14	10	1611-1	33				
3	F 16--15	10	1669-1	33				
3	F 16--16	10	1669-1	33				
3	F 16--17	10	1669-1	33				
3	F 16--18	10	1669-1	33				
3	F 16--19	10	1611-1	33				
3	F 16--20	10	1837-1	33				
3	F 16--21	10	1669-1	33				
3	F 16--22	10	1611-1	33				
3	F 16--23	10	1611-1	33				
3	F 16--24	10	1635-1	33				
3	F 16--25	10	1839-1	33				
3	F 16--26	10	1837-1	33				
3	F 16--27	10	1837-1	33				
3	F 16--28	10	1669-1	33				
3	F 16--29	10	1839-1	33				
3	F 16--30	10	1669-1	33				
3	F 16--31	10	1669-1	33				

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 16--32	10	1669-1	33				
3	F 17--01	10	1611-1	33				
3	F 17--02	10	1839-1	33				
3	F 17--03	10	1839-1	33				
3	F 17--05	10	1837-1	33				
3	F 17--06	10	1839-1	33				
3	F 17--07	10	1839-1	33				
3	F 17--08	10	1235-1	33				
3	F 17--09	10	1837-1	33				
3	F 17--10	10	1235-1	33				
3	F 17--11	10	1839-1	33				
3	F 17--12	10	1839-1	33				
3	F 17--13	10	1839-1	33				
3	F 17--14	10	1669-1	33				
3	F 17--15	10	1211-1	33				
3	F 18--01	11	1669-1	33				
3	F 18--03	11	1269-1	33				
3	F 18--04	11	1235-1	33				
3	F 18--05	11	1111-1	33				
3	F 18--06	11	1135-1	33				
3	F 18--07	11	1111-1	33				
3	F 18--08	11	1839-1	33				
3	F 18--09	11	1839-1	33				
3	F 18--10	11	1837-1	33				
3	F 18--11	11	1839-1	33				
3	F 18--12	11	1235-1	33				
3	F 18--13	11	1867-1	33				
3	F 18--15	11	1839-1	33				
3	F 18--16	11	1837-1	33				
3	F 18--17	11	1269-1	33				
3	F 18--19	11	1839-1	33				
3	F 18--20	11	1669-1	33				
3	F 18--21	11	1669-1	33				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 18--22	11	1837-1	33				
3	F 18--23	11	1839-1	33				
3	F 18--24	11	1111-1	33				
3	F 18--25	11	0727-1	33				
3	F 18--26	11	1837-1	33				
3	F 18--29	11	0727-1	33				
3	F 18--30	11	1669-1	33				
3	F 18--31	11	1839-1	33				
3	F 18--32	11	1837-1	33				
3	F 19--01	11	1611-1	33				
3	F 19--02	11	1669-1	33				
3	F 19--03	11	1669-1	33				
3	F 19--04	11	0927-1	33				
3	F 19--05	11	1645-1	33				
3	F 19--06	11	1135-1	33				
3	F 19--07	11	0735-1	33				
3	F 19--08	11	1839-1	33				
3	F 19--09	11	1569-1	33				
3	F 19--10	11	1839-1	33				
3	F 19--11	11	1839-1	33				
3	F 19--13	11	1867-1	33				
3	F 19--14	11	1269-1	33				
3	F 19--15	11	1837-1	33				
3	F 19--16	11	1839-1	33				
3	F 19--17	11	1839-1	33				
3	F 19--19	11	1669-1	33				
3	F 19--20	11	1669-1	33				
3	F 19--21	11	1669-1	33				
3	F 19--22	11	1669-1	33				
3	F 19--23	11	1839-1	33				
3	F 19--28	11	1269-1	33				
3	F 19--29	11	1669-1	33				
3	F 19--30	11	1635-1	33				

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - CITIZENS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.†	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 19--31	11	1669-1	33				
3	F 19--32	11	1669-1	33				
3	F 20--01	11	1669-1	33				
3	F 20--02	11	1669-1	33				
3	F 20--03	11	1669-1	33				
3	F 20--04	11	1635-1	33				
3	F 20--05	11	1837-1	33				
3	F 20--06	11	1669-1	33				
3	F 20--07	11	1669-1	33				
3	F 20--08	11	1669-1	33				
3	F 20--09	11	1845-1	33				
3	F 20--10	11	1611-1	33				
3	F 20--11	11	1837-1	33				
3	F 20--12	11	1839-1	33				
3	F 20--13	11	1669-1	33				
3	F 20--14	11	1839-1	33				
3	F 21--01	12	1669-1	33				
3	F 21--02	12	1669-1	33				
3	F 21--03	12	1669-1	33				
3	F 21--04	12	1669-1	33				
3	F 21--05	12	1669-1	33				
3	F 21--06	12	1669-1	33				
3	F 21--07	12	1669-1	33				
3	F 21--08	12	1669-1	33				
3	F 21--09	12	1839-1	33				
3	F 21--10	12	1269-1	33				
3	F 21--11	12	1669-1	33				
3	F 21--12	12	1669-1	33				
3	F 21--13	12	1669-1	33				
3	F 21--14	12	1669-1	33				
3	F 21--15	12	1839-1	33				
3	F 21--16	12	1839-1	33				
3	F 21--17	12	1839-1	33				
3	F 21--18	12	1839-1	33				
3	F 21--19	12	1839-1	33				
3	F 21--20	12	1839-1	33				

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DEALER - CITIZENS

MODEL NO. -

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE*	OUTLET NO. #	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 21--18	12	1669-1	33				
3	F 21--21	12	1669-1	33				
3	F 21--22	12	0927-1	33				
3	F 21--23	12	0927-1	33				
3	F 21--24	12	1569-1	33				
3	F 21--25	12	1839-1	33				
3	F 21--26	12	1669-1	33				
3	F 21--27	12	1669-1	33				
3	F 21--28	12	1669-1	33				
3	F 21--29	12	1839-1	33				
3	F 21--30	12	1669-1	33				
3	F 21--31	12	1669-1	33				
3	F 21--32	12	1669-1	33				
3	F 22--01	12	1669-1	33				
3	F 22--02	12	1269-1	33				
3	F 22--03	12	1669-1	33				
3	F 22--04	12	1811-1	33				
3	F 22--05	12	1637-1	33				
3	F 22--06	12	1837-1	33				
3	F 22--07	12	1235-1	33				
3	F 22--08	12	1269-1	33				
3	F 22--09	12	1669-1	33				
3	F 22--10	12	1669-1	33				
3	F 22--11	12	1669-1	33				
3	F 22--12	12	1669-1	33				
3	F 22--13	12	1839-1	33				
3	F 22--14	12	1839-1	33				
3	F 22--15	12	1611-1	33				
3	F 22--16	12	1669-1	33				
3	F 22--17	12	1839-1	33				
3	F 22--18	12	1669-1	33				
3	F 22--19	12	1635-1	33				
3	F 22--20	12	1669-1	33				

1033

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
3	F 22--21	12	0927-1	33				
3	F 22--22	12	1111-1	33				
3	F 22--23	12	0527-1	33				
3	F 22--25	12	1235-1	33				
3	F 22--26	12	0727-1	33				
3	F 22--27	12	1269-1	33				

1034

SALE		SALES		MARKUP		MARKUP	
1		1,259		195		201	
2		262		223		223	
SUBTOTAL		1,521					
31		71					
32		10					
33		745					
34		55					
35		79					
SUBTOTAL		960					
OTHER							
TOTAL		2,481					

DEALER - COURTESY

PAGE 1

DEALER
NO.

INVOICE NO.

MONTH
SOLDMODEL NO.
AND
YEARTYPE OF
SALE*OUTLET
NO.*NET
SELLING
PRICE TO
CUSTOMERDEALER
INVOICE

MARKUP

1036

4	95--39	1	0769-0	35			3609	2349	760
4	95--40	1	1837-0	33			2450	2004	446
4	95--41	1	1837-0	33					
4	95--42	1	0769-0	33					
4	95--43	1	1837-0	1					
4	95--44	1	0769-0	1					
4	95--45	1	1839-0	33					
4	95--46	1	1519-0	33					
4	95--65	1	1535-0	1			2625	2374	251
4	95--66	1	0769-0	1			2504	2037	467
4	95--68	1	0769-0	33					
4	95--69	1	0769-0	33					
4	95--70	1	0769-0	2					
4	95--78	1	1837-0	1		1	2387	2103	284
4	95--79	1	1639-9	31			3149	2715	434
4	95--81	1	1619-0	1					
4	95--84	1	1111-0	33			2428	2162	266
4	95--92	1	0769-0	1					
4	96--00	1	1837-0	33					
4	96--01	1	0769-0	2					
4	96--02	1	1235-0	33					
4	96--03	1	0769-0	33		1	2278	1934	344
4	96--04	1	1837-0	35			2233	1977	256
4	96--05	1	0769-0	2					
4	96--08	1	0769-0	33		1	2371	2078	293
4	96--11	1	1111-0	1					
4	96--12	1	1719-0	1					
4	96--14	1	0769-0	33			2395	2133	262
4	95--74	1	0769-0	1			2663	2429	234
4	95--75	1	1839-0	33					
4	95--76	1	1839-0	33			2266	2093	173
4	95--77	1	1839-0	33					
4	95--78	1	1839-0	33					
4	95--79	1	1839-0	33					
4	95--80	1	1839-0	33					

NET
SELLING
PRICE TO
CUSTOMERMODEL NO.
AND
YEAR

1839-0

95-28

4

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	95-28	1	1839-0	33				
4	95-29	1	1839-0	33				
4	95-30	1	1839-0	33				
4	95-31	1	1839-0	33				
4	95-32	1	1645-0	33				
4	95-34	1	1645-0	33				
4	95-35	1	1645-0	33				
4	95-36	1	1645-0	33				
4	95-38	1	1645-0	33				
4	95-33	1	1645-0	33				
4	95-37	1	1645-0	33				
4	95-75	1	1619-0	33				
4	95-80	1	0769-0	33				
4	95-83	1	1837-0	1		2397	2698	199
4	95-90	1	1619-0	33				
4	95-91	1	1739-0	1		2743	2484	259
4	96-06	1	1837-0	33				
4	96-07	1	1837-0	33				
4	96-10	1	0769-0	1		2312	1963	349
4	96-13	1	1119-0	33				
4	96-18	1	1219-0	33				
4	96-19	1	1219-0	33				
4	96-20	1	1611-0	33				
4	96-31	1	1839-0	33				
4	96-32	1	1635-0	33				
4	96-38	1	1837-0	1		3056	2742	314
4	96-50	1	1839-9	31				
4	96-52	1	1611-0	1				
4	96-55	1	1837-0	1		2709	2477	232
4	96-57	1	1619-0	1		2896	2697	199
4	96-58	1	1837-0	1		3131	2839	292
4	96-59	1	1837-0	1		3047	2746	301
4	96-62	1	1839-0	1		3046	2756	290
4						3298	2766	532

1037

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

1038

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	96--63	1	0769-0	33				
4	96--65	1	0769-0	33			1937	301
4	96--75	1	0769-0	1		2238		
4	96--76	1	1839-0	33			2417	344
4	96--90	1	1619-0	1		2761	2396	302
4	96--95	1	1837-0	1		2698	2749	184
4	96--99	1	1837-0	1		2933		
4	95--77	1	1619-0	33				
4	95--85	1	1619-0	33				
4	96--09	1	1135-0	33				
4	96--28	1	1837-0	33				
4	96--29	1	1837-0	33				
4	96--30	1	1837-0	33				
4	96--34	1	1839-0	33				
4	96--35	1	1519-0	33				
4	96--36	1	1635-0	33				
4	96--49	1	0569-0	1		2198	1932	266
4	96--53	1	1837-0	1		2855	2578	277
4	96--60	1	1837-0	1		3297	2632	665
4	96--61	1	1511-0	33				
4	96--64	1	0769-0	1		2240	1954	286
4	96--69	1	1837-0	33				
4	96--70	1	1837-0	33				
4	96--71	1	1837-0	33				
4	96--73	1	1837-0	33				
4	96--78	1	1837-0	2	1	3021	2680	341
4	96--79	1	1837-0	33				
4	96--91	1	1837-0	35				
4	96--93	1	0569-0	33				
4	96--97	1	0867-0	33				
4	96--98	1	0769-0	33				
4	96--99	1	1837-0	33				

1040

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	97--73	1	1635-0	33				
4	97--75	1	1635-9	31				
4	97--28	1	0769-0	2	1	2262	1968	294
4	97--43	1	0867-0	33				
4	97--74	1	1837-0	1		3004	2745	259
4	97--76	1	1839-0	1		3004	2776	228
4	97--86	1	1119-0	33				
4	97--88	1	1645-0	2	1	3132	2986	146
4	97--89	1	1635-0	1		2971	2849	122
4	97--90	1	1619-0	33				
4	97--91	1	1619-0	33				
4	97--93	1	1619-0	33				
4	97--94	1	1619-0	33				
4	97--95	1	1611-0	33				
4	97--96	1	1635-0	33				
4	97--97	1	1635-0	33				
4	96--96	1	0769-0	33				
4	97--10	1	1837-0	1		2932	2674	258
4	97--41	1	1211-0	33				
4	97--46	1	1219-0	33				
4	97--87	1	1839-0	1		2988	2795	193
4	98--02	1	1235-0	33				
4	98--03	1	1839-0	33				
4	98--05	1	0569-0	33				
4	98--06	1	0569-0	33				
4	98--07	1	0569-0	33				
4	98--08	1	1111-0	1		2336	2146	190
4	98--09	1	1619-0	33				
4	98--10	1	1837-0	1		3015	2739	276
4	98--11	1	1839-0	1		3043	2773	270
4	98--13	1	1135-0	1		2649	2439	210
4	98--15	1	0769-0	1		2226	2028	198
4	98--18	1	1537-0	1		2413	2293	120

***SEE ATTACHED SHEET FOR CODING DESIGNATIONS.**

1042

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	98--19	1	1619-0	33				
4	98--38	1	1611-0	33				
4	98--39	1	1611-0	33				
4	98--41	1	1635-0	33				
4	98--42	1	1235-0	1		2769	2593	176
4	98--43	1	0867-0	1		3474	3319	155
4	98--44	1	1535-0	33				
4	98--45	1	1635-0	33				
4	98--47	1	1837-0	1		2963	2637	326
4	97--34	1	0769-0	1		2375	2048	327
4	98--14	1	1619-0	33				
4	98--16	1	1619-9	31				
4	98--20	1	1637-0	1		2914	2618	296
4	98--57	1	1619-0	33				
4	98--58	1	1619-0	33				
4	98--59	1	1111-0	2	1	2214	1989	225
4	98--60	1	1867-0	33				
4	98--61	1	1111-0	33				
4	98--66	1	1837-0	33				
4	98--67	1	0867-0	33				
4	98--68	1	1835-0	33				
4	98--70	1	1619-0	33				
4	98--84	1	1619-0	33				
4	98--85	1	1635-0	33				
4	98--90	1	1619-0	33				
4	98--91	1	1619-0	33				
4	98--94	1	1635-0	33				
4	99--04	1	1839-0	33				
4	98--23	1	1837-0	33				
4	98--24	1	1837-0	33				
4	98--25	1	1837-0	33				
4	98--26	1	1837-0	33				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	98--28	1	1839-0	33		2489	2216	273
4	98--30	1	1837-0	33		2599	2328	271
4	98--31	1	1837-0	33		2213	1987	226
4	98--32	1	1839-0	33		3292	2756	536
4	98--33	1	1837-0	33		3358	2993	365
4	98--34	1	1839-0	33				
4	98--35	1	1839-0	33				
4	98--36	1	1839-0	33				
4	98--37	1	1839-0	33				
4	98--38	1	1839-0	33				
4	98--39	1	1837-0	33				
4	98--40	1	1835-0	33				
4	98--41	1	1835-0	33				
4	98--42	1	1835-0	33				
4	98--43	1	1835-0	33				
4	98--44	1	1835-0	33				
4	98--45	1	1835-0	33				
4	98--46	1	1835-0	33				
4	98--47	1	1835-0	33				
4	98--48	1	1835-0	33				
4	98--49	1	1835-0	33				
4	98--50	1	1835-0	33				
4	98--51	1	1835-0	33				
4	98--52	1	1835-0	33				
4	98--53	1	1835-0	33				
4	98--54	1	1835-0	33				
4	98--55	1	1835-0	33				
4	98--56	1	1835-0	33				
4	98--57	1	1835-0	33				
4	98--58	1	1835-0	33				
4	98--59	1	1835-0	33				
4	98--60	1	1835-0	33				
4	98--61	1	1835-0	33				
4	98--62	1	1835-0	33				
4	98--63	1	1835-0	33				
4	98--64	1	1835-0	33				
4	98--65	1	1835-0	33				
4	98--66	1	1835-0	33				
4	98--67	1	1835-0	33				
4	98--68	1	1835-0	33				
4	98--69	1	1835-0	33				
4	98--70	1	1835-0	33				
4	98--71	1	1835-0	33				
4	98--72	1	1835-0	33				
4	98--73	1	1835-0	33				
4	98--74	1	1835-0	33				
4	98--75	1	1835-0	33				
4	98--76	1	1835-0	33				
4	98--77	1	1835-0	33				
4	98--78	1	1835-0	33				
4	98--79	1	1835-0	33				
4	98--80	1	1835-0	33				
4	98--81	1	1835-0	33				
4	98--82	1	1835-0	33				
4	98--83	1	1835-0	33				
4	98--84	1	1835-0	33				
4	98--85	1	1835-0	33				
4	98--86	1	1835-0	33				
4	98--87	1	1835-0	33				
4	98--88	1	1835-0	33				
4	98--89	1	1835-0	33				
4	98--90	1	1835-0	33				
4	98--91	1	1835-0	33				
4	98--92	1	1835-0	33				
4	98--93	1	1835-0	33				
4	98--94	1	1835-0	33				
4	98--95	1	1835-0	33				
4	98--96	1	1835-0	33				
4	98--97	1	1835-0	33				
4	98--98	1	1835-0	33				
4	98--99	1	1835-0	33				
4	98--100	1	1835-0	33				
4	98--101	1	1835-0	33				
4	98--102	1	1835-0	33				
4	98--103	1	1835-0	33				
4	98--104	1	1835-0	33				
4	98--105	1	1835-0	33				
4	98--106	1	1835-0	33				
4	98--107	1	1835-0	33				
4	98--108	1	1835-0	33				
4	98--109	1	1835-0	33				
4	98--110	1	1835-0	33				
4	98--111	1	1835-0	33				
4	98--112	1	1835-0	33				
4	98--113	1	1835-0	33				
4	98--114	1	1835-0	33				
4	98--115	1	1835-0	33				
4	98--116	1	1835-0	33				
4	98--117	1	1835-0	33				
4	98--118	1	1835-0	33				
4	98--119	1	1835-0	33				
4	98--120	1	1835-0	33				
4	98--121	1	1835-0	33				
4	98--122	1	1835-0	33				
4	98--123	1	1835-0	33				
4	98--124	1	1835-0	33				
4	98--125	1	1835-0	33				
4	98--126	1	1835-0	33				
4	98--127	1	1835-0	33				
4	98--128	1	1835-0	33				
4	98--129	1	1835-0	33				
4	98--130	1	1835-0	33				
4	98--131	1	1835-0	33				
4	98--132	1	1835-0	33				
4	98--133	1	1835-0	33				
4	98--134	1	1835-0	33				
4	98--135	1	1835-0	33				
4	98--136	1	1835-0	33				
4	98--137	1	1835-0	33				
4	98--138	1	1835-0	33				
4	98--139	1	1835-0	33				
4	98--140	1	1835-0	33				
4	98--141	1	1835-0	33				
4	98--142	1	1835-0	33				
4	98--143	1	1835-0	33				
4	98--144	1	1835-0	33				
4	98--145	1	1835-0	33				
4	98--146	1	1835-0	33				
4	98--147	1	1835-0	33				
4	98--148	1	1835-0	33				
4	98--149	1	1835-0	33				
4	98--150	1	1835-0	33				
4	98--151	1	1835-0	33				
4	98--152	1	1835-0	33				
4	98--153	1	1835-0	33				
4	98--154	1	1835-0	33				
4	98--155	1	1835-0	33				
4	98--156	1	1835-0	33				
4	98--157	1	1835-0	33				
4	98--158	1	1835-0	33				
4	98--159	1	1835-0	33				
4	98--160	1	1835-0	33				
4	98--161	1	1835-0	33				
4	98--162	1	1835-0	33				
4	98--163	1	1835-0	33				
4	98--164	1	1835-0	33				
4	98--165	1	1835-0	33				
4	98--166	1	1835-0	33				
4	98--167	1	1835-0	33				
4	98--168	1	1835-0	33				
4	98--169	1	1835-0	33				
4	98--170	1	1835-0	33				
4	98--171	1	1835-0	33				
4	98--172	1	1835-0	33				
4	98--173	1	1835-0	33				
4	98--174	1	1835-0	33				
4	98--175	1	1835-0	33				
4	98--176	1	1835-0	33				
4	98--177	1	1835-0	33				
4	98--178	1	1835-0	33				
4	98--179	1	1835-0	33				
4	98--180	1	1835-0	33				
4	98--181	1	1835-0	33				
4	98--182	1	1835-0	33				
4	98--183	1	1835-0	33				
4	98--184	1	1835-0	33				
4	98--185	1	1835-0	33				
4	98--186	1	1835-0	33				
4	98--187	1	1835-0	33				
4	98--188	1	1835-0	33				
4	98--189	1	1835-0	33				
4	98--190	1	1835-0	33				
4	98--191	1	1835-0	33				
4	98--192	1	1835-0	33				
4	98--193	1	1835-0	33				
4	98--194	1	1835-0	33				
4	98--195	1	1835-0	33				
4	98--196	1	1835-0	33				
4	98--197	1	1835-0	33				
4	98--198	1	1835-0	33				
4	98--199	1	1835-0	33				
4	98--200	1	1835-0	33				

1043

238
2333
2571
2229
2094
2746
286
315
314

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	99--55	1	1619-0	33				
4	99--63	1	1837-0	1				
4	99--67	1	1837-0	1				
4	99--69	1	1611-0	33				
4	99--70	1	1837-0	1				
4	99--73	1	1635-0	1				
4	99--76	1	1511-0	33				
4	99--77	1	0569-0	33				
4	99--78	1	1619-0	33				
4	99--79	1	1635-0	33				
4	99--82	1	0569-0	33				
4	99--83	1	0569-0	1				
4	100--00	1	1619-0	33				
4	100--06	1	1837-0	1				
4	100--08	1	0769-0	33				
4	100--09	1	0769-0	33				
4	100--11	1	1115-0	1				
4	100--13	1	1645-0	1				
4	100--28	1	1619-0	33				
4	100--29	1	1611-0	33				
4	100--30	1	1635-0	33				
4	100--32	1	0569-0	33				
4	100--33	1	1837-0	1				
4	100--35	1	1619-0	1				
4	100--37	1	1635-0	1				
4	100--40	1	1211-0	1				
4	100--46	1	1635-0	33				
4	100--47	1	1619-0	33				
4	100--57	1	0769-0	1				
4	100--64	1	1511-0	1				
4	98--72	1	1837-0	33				
4	99--52	1	0769-0	33				
4	99--86	1	1867-0	33				

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[fol. 1628]

DEALER - COURTESY

PAGE 10

DEALER
NO.

INVOICE NO.

MONTH
SOLDMODEL NO.
AND
YEARTYPE OF
SALE*OUTLET
NO.*NET
SELLING
PRICE TO
CUSTOMERDEALER
INVOICE

MARKUP

1046

100--01	1	1619-0	33		2584	2003	581
100--04	1	1837-0	33				
100--12	1	0569-0	33				
100--15	1	1839-0	33				
100--17	1	1837-0	33				
100--31	1	1635-0	33				
100--38	1	1115-0	33				
100--41	1	1111-0	1				
100--42	1	1839-0	33				
100--43	1	1219-0	2	1	2465	2259	206
100--44	1	1867-9	31				
100--52	1	1839-0	33				
100--54	1	1839-0	1				
100--55	1	1867-0	1				
100--56	1	1837-0	1				
100--58	1	0867-0	1				
100--59	1	1867-0	1				
100--60	1	1211-0	1				
100--62	1	0769-0	1				
100--63	1	1619-0	33				
98--88	1	0769-0	1				
99--02	1	1635-0	1				
99--53	1	1837-0	1				
99--75	1	1867-0	1				
100--27	1	1837-0	1				
100--39	1	1619-0	1				
100--53	1	0769-C	1				
100--61	1	0769-0	1				
100--65	1	0867-0	1				
100--85	1	1211-0	1				
100--87	1	1211-0	1				
100--88	1	1211-0	1				
100--89	1	1211-0	1				
100--90	1	1211-0	1				
100--91	1	1211-0	1				
100--92	1	1211-0	1				
100--93	1	1211-0	1				
100--94	1	1211-0	1				
100--95	1	1211-0	1				
100--96	1	1211-0	1				
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100--98	1	1211-0	1				
100--99	1	1211-0	1				
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100--105	1	1211-0	1				
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100--108	1	1211-0	1				
100--109	1	1211-0	1				
100--110	1	1211-0	1				
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100--158	1	1211-0	1				
100--159	1	1211-0	1				
100--160	1	1211-0	1				
100--161	1	1211-0	1				
100--162	1	1211-0	1				
100--163	1	1211-0	1				
100--164	1	1211-0	1				
100--165	1	1211-0	1				
100--166	1	1211-0	1				
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100--193	1	1211-0	1				
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100--202	1	1211-0	1				
100--203	1	1211-0	1				
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100--208	1	1211-0	1				
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100--212	1	1211-0	1				
100--213	1	1211-0	1				
100--214	1	1211-0	1				
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100--216	1	1211-0	1				
100--217	1	1211-0	1				
100--218	1	1211-0	1				
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100--231	1	1211-0	1				
100--232	1	1211-0	1				
100--233	1	1211-0	1				
100--234	1	1211-0	1				
100--235	1	1211-0	1				
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100--254	1	1211-0	1				
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100--257	1	1211-0	1				
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100--262	1	1211-0	1				
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100--264	1	1211-0	1				
100--265	1	1211-0	1				
100--266	1	1211-0	1				
100--267	1	1211-0	1				
100--268	1	1211-0	1				
100--269	1	1211-0	1				
100--270	1	1211-0	1				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	100--90	2	1867-0	33				
4	100--95	2	1619-0	33				
4	101--00	2	1619-0	33				
4	101--01	2	1619-0	33				
4	101--02	2	1619-0	1				
4	101--04	2	1839-0	1		2685	2520	165
4	101--07	2	0769-0	33		3016	2858	158
4	101--08	2	1837-0	2	1	2978	2646	332
4	101--09	2	0769-0	2	1	2401	2109	292
4	101--10	2	0769-0	35				
4	101--13	2	1837-0	33				
4	101--16	2	0769-0	33				
4	101--20	2	1837-0	1				
4	101--28	2	1611-0	1		3051	2782	269
4	101--30	2	1867-0	33		2757	2450	307
4	101--34	2	1619-0	2				
4	101--48	2	1837-0	33	1	2662	2429	233
4	101--62	2	0569-0	1				
4	101--63	2	1837-0	1		2122	1875	247
4	101--69	2	1839-0	1		3107	2681	426
4	101--70	2	1839-0	1		2953	2745	208
4	101--73	2	1135-0	1		3179	2959	220
4	101--83	2	1837-0	1		2489	2309	180
4	101--86	2	1111-0	1		3143	2912	231
4	101--96	2	0769-0	2		2212	1989	223
4	102--27	2	0569-0	2	1	2296	2036	260
4	102--36	2	1111-0	1		2158	1825	333
4	101--17	2	1219-0	1		2167	1953	214
4	101--27	2	1839-0	1		2408	2255	153
4	101--29	2	1619-0	33		2884	2742	142
4	101--32	2	1235-0	2	1			
4	101--33	2	1839-0	33		2755	2535	220
4	101--50	2	1839-0	33				

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	101--51	2	1839-0	33				
4	101--55	2	1219-0	33				
4	101--59	2	0569-0	33				
4	101--61	2	1539-0	33				
4	101--89	2	1539-0	33				
4	102--11	2	1839-0	1		3145	2972	173
4	102--12	2	1619-0	2		2743	2520	223
4	102--14	2	1867-0	33	1			
4	102--61	2	1635-0	1		2932	2810	122
4	102--62	2	1635-0	33				
4	100--87	2	1115-0	1		2653	2225	428
4	100--92	2	1111-0	1		2017	1877	140
4	101--11	2	1839-0	1		3467	2691	776
4	101--15	2	0867-0	1		3400	3151	249
4	101--26	2	1111-0	1		2327	2116	211
4	101--72	2	1837-0	1		2800	2589	211
4	101--85	2	0769-0	1		2657	2113	544
4	101--80	2	1839-0	1		3192	2976	216
4	102--51	2	0569-0	1		2215	2021	194
4	102--52	2	1235-0	1		3064	2605	459
4	100--94	2	0569-0	33				
4	101--31	2	1837-0	33				
4	101--49	2	1839-0	33				
4	101--52	2	1839-0	33				
4	101--60	2	1837-0	33				
4	101--88	2	1619-0	33				
4	101--91	2	1635-0	33				
4	102--07	2	0769-0	1		2171	2054	117
4	102--08	2	1867-0	33				
4	102--13	2	1839-0	33				
4	102--21	2	0769-0	33				
4	102--24	2	0769-0	33				
4	102--25	2	0769-0	33				
4	102--26	2	0769-0	33				
4	102--27	2	0769-0	33				
4	102--28	2	0769-0	33				
4	102--29	2	0769-0	33				
4	102--30	2	0769-0	33				
4	102--31	2	0769-0	33				
4	102--32	2	0769-0	33				
4	102--33	2	0769-0	33				
4	102--34	2	0769-0	33				
4	102--35	2	0769-0	33				
4	102--36	2	0769-0	33				
4	102--37	2	0769-0	33				
4	102--38	2	0769-0	33				
4	102--39	2	0769-0	33				
4	102--40	2	0769-0	33				
4	102--41	2	0769-0	33				
4	102--42	2	0769-0	33				
4	102--43	2	0769-0	33				
4	102--44	2	0769-0	33				
4	102--45	2	0769-0	33				
4	102--46	2	0769-0	33				
4	102--47	2	0769-0	33				
4	102--48	2	0769-0	33				
4	102--49	2	0769-0	33				
4	102--50	2	0769-0	33				
4	102--51	2	0769-0	33				
4	102--52	2	0769-0	33				
4	102--53	2	0769-0	33				
4	102--54	2	0769-0	33				
4	102--55	2	0769-0	33				
4	102--56	2	0769-0	33				
4	102--57	2	0769-0	33				
4	102--58	2	0769-0	33				
4	102--59	2	0769-0	33				
4	102--60	2	0769-0	33				
4	102--61	2	0769-0	33				
4	102--62	2	0769-0	33				
4	102--63	2	0769-0	33				
4	102--64	2	0769-0	33				
4	102--65	2	0769-0	33				
4	102--66	2	0769-0	33				
4	102--67	2	0769-0	33				
4	102--68	2	0769-0	33				
4	102--69	2	0769-0	33				
4	102--70	2	0769-0	33				
4	102--71	2	0769-0	33				
4	102--72	2	0769-0	33				
4	102--73	2	0769-0	33				
4	102--74	2	0769-0	33				
4	102--75	2	0769-0	33				
4	102--76	2	0769-0	33				
4	102--77	2	0769-0	33				
4	102--78	2	0769-0	33				
4	102--79	2	0769-0	33				
4	102--80	2	0769-0	33				
4	102--81	2	0769-0	33				
4	102--82	2	0769-0	33				
4	102--83	2	0769-0	33				
4	102--84	2	0769-0	33				
4	102--85	2	0769-0	33				
4	102--86	2	0769-0	33				
4	102--87	2	0769-0	33				
4	102--88	2	0769-0	33				
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4	102--90	2	0769-0	33				
4	102--91	2	0769-0	33				
4	102--92	2	0769-0	33				
4	102--93	2	0769-0	33				
4	102--94	2	0769-0	33				
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4	102--101	2	0769-0	33				
4	102--102	2	0769-0	33				
4	102--103	2	0769-0	33				
4	102--104	2	0769-0	33				
4	102--105	2	0769-0	33				
4	102--106	2	0769-0	33				
4	102--107	2	0769-0	33				
4	102--108	2	0769-0	33				
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4	102--147	2	0769-0	33				
4	102--148	2	0769-0	33				
4	102--149	2	0769-0	33				
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4	102--154	2	0769-0	33				
4	102--155	2	0769-0	33				
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4	102--157	2	0769-0	33				
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4	102--164	2	0769-0	33				
4	102--165	2	0769-0	33				
4	102--166	2	0769-0	33				
4	102--167	2	0769-0	33				
4	102--168	2	0769-0	33				
4	102--169	2	0769-0	33				
4	102--170	2	0769-0	33				
4	102--171	2	0769-0	33				
4	102--172	2	0769-0	33				
4	102--173	2	0769-0	33				
4	102--174	2	0769-0	33				
4	102--175	2	0769-0	33				
4	102--176	2	0769-0	33				
4	102--177	2	0769-0	33				
4	102--178	2	0769-0	33				
4	102--179	2	0769-0	33				
4	102--180	2	0769-0	33				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	102--41	2	1837-0	33				
4	102--43	2	0569-0	33				
4	102--44	2	0569-0	33				
4	102--53	2	1619-0	33				
4	102--75	2	1837-0	33				
4	102--78	2	0769-0	33				
4	102--82	2	1837-0	35				
4	102--85	2	1837-0	2	1	2746	2527	219
4	102--92	2	1819-0	33				
4	103--10	2	1837-0	33				
4	101--67	2	1645-0	1				
4	101--82	2	1619-9	31		3064	2837	227
4	102--15	2	1611-0	1				
4	102--23	2	1867-0	1		2587	2404	183
4	102--26	2	0727-0	1		2839	2636	203
4	102--35	2	1835-0	1		2574	2103	471
4	101--12	2	0769-0	1		3201	2950	251
4	101--35	2	0769-0	1		2233	1990	243
4	101--68	2	1837-0	1		2385	2080	305
4	102--20	2	1837-0	1		3369	2747	622
4	102--24	2	1535-0	1		2860	2696	164
4	102--55	2	1119-0	1		2919	2543	376
4	103--11	2	0727-0	1		2235	2002	233
4	103--37	2	1215-0	1		2543	2079	464
4	101--58	2	1619-0	33		2536	2328	208
4	101--90	2	0769-0	35				
4	102--31	2	1839-0	33				
4	102--32	2	1839-0	33				
4	102--33	2	1839-0	33				
4	102--37	2	1619-0	33				
4	102--58	2	1839-0	33				
4	102--76	2	1637-0	33				
4	102--77	2	0769-0	33				

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	102--79	2	1635-0	33				
4	102--80	2	0769-0	33				
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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO. #	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	103--36	2	1511-0	33		3169	2717	452
4	103--38	2	0569-0	33		2160	1953	207
4	103--39	2	0569-0	33		3103	2805	298
4	103--40	2	0569-0	33		2350	2092	258
4	100--91	2	1837-0	1		2303	1926	377
4	101--57	2	1111-0	1		2951	2741	210
4	102--25	2	1837-0	1		2230	2046	184
4	103--17	2	0769-0	1				
4	103--29	2	0769-0	1				
4	103--85	2	1837-0	1				
4	103--86	2	0769-0	1				
4	100--99	2	1635-0	33				
4	101--05	2	0769-0	33				
4	101--53	2	1635-0	33				
4	101--65	2	0769-0	33				
4	102--19	2	1635-0	33				
4	102--22	2	1837-0	33				
4	102--29	2	1839-0	33				
4	102--30	2	1839-0	33				
4	102--63	2	0769-0	32				
4	102--64	2	0769-0	32				
4	100--93	2	1839-0	33				
4	101--14	2	1837-0	33				
4	102--42	2	1839-0	33				
4	102--83	2	0769-0	2	1	2348	2078	270
4	103--02	2	0769-0	33				
4	103--34	2	0769-0	33				
4	103--41	2	1837-0	33				
4	103--42	2	1839-0	33				
4	103--71	2	1115-0	33				
4	103--73	2	1635-0	2	1	2854	2580	274
4	103--76	2	1837-0	2	1	3002	2723	279
4	103--77	2	1767-0	2	1	3012	2727	285

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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[fol. 1634]

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	103--82	2	1837-0	1				
4	103--94	2	1839-0	33				
4	103--96	2	1839-0	33				
4	103--98	2	1839-0	33				
4	104--00	2	1839-0	33				
4	104--02	2	1839-0	33				
4	104--03	2	1839-0	33				
4	104--04	2	1839-0	33				
4	104--05	2	0769-0	33				
4	104--07	2	1111-0	1				
4	104--08	2	1619-0	34				
4	104--09	2	1837-0	33				
4	104--19	2	1837-0	33				
4	104--20	2	1837-0	33				
4	104--26	2	1837-0	33				
4	104--27	2	1837-0	33				
4	104--38	2	1235-0	33				
4	104--42	2	1837-0	1				
4	104--57	2	1837-0	33				
4	103--51	2	1837-0	1				
4	103--52	2	1837-0	1				
4	103--53	2	1839-0	1				
4	103--83	2	1837-0	1				
4	103--91	2	1219-0	1				
4	104--21	2	1839-0	1				
4	104--43	2	0769-0	1				
4	104--50	2	1837-0	1				
4	103--13	2	1839-0	1				
4	104--31	2	0527-0	1				
4	103--47	2	1455-0	1				
4	104--49	2	1455-0	1				
4	104--50	2	1455-0	1				
4	103--82	2	1837-0	1				
4	103--94	2	1839-0	33				
4	103--96	2	1839-0	33				
4	103--98	2	1839-0	33				
4	104--00	2	1839-0	33				
4	104--02	2	1839-0	33				
4	104--03	2	1839-0	33				
4	104--04	2	1839-0	33				
4	104--05	2	0769-0	33				
4	104--07	2	1111-0	1				
4	104--08	2	1619-0	34				
4	104--09	2	1837-0	33				
4	104--19	2	1837-0	33				
4	104--20	2	1837-0	33				
4	104--26	2	1837-0	33				
4	104--27	2	1837-0	33				
4	104--38	2	1235-0	33				
4	104--42	2	1837-0	1				
4	104--57	2	1837-0	33				
4	103--51	2	1837-0	1				
4	103--52	2	1837-0	1				
4	103--53	2	1839-0	1				
4	103--83	2	1837-0	1				
4	103--91	2	1219-0	1				
4	104--21	2	1839-0	1				
4	104--43	2	0769-0	1				
4	104--50	2	1837-0	1				
4	103--13	2	1839-0	1				
4	104--31	2	0527-0	1				
4	103--47	2	1455-0	1				
4	104--49	2	1455-0	1				
4	104--50	2	1455-0	1				
4	103--82	2	1837-0	1				
4	103--94	2	1839-0	33				
4	103--96	2	1839-0	33				
4	103--98	2	1839-0	33				
4	104--00	2	1839-0	33				
4	104--02	2	1839-0	33				
4	104--03	2	1839-0	33				
4	104--04	2	1839-0	33				
4	104--05	2	0769-0	33				
4	104--07	2	1111-0	1				
4	104--08	2	1619-0	34				
4	104--09	2	1837-0	33				
4	104--19	2	1837-0	33				
4	104--20	2	1837-0	33				
4	104--26	2	1837-0	33				
4	104--27	2	1837-0	33				
4	104--38	2	1235-0	33				
4	104--42	2	1837-0	1				
4	104--57	2	1837-0	33				
4	103--51	2	1837-0	1				
4	103--52	2	1837-0	1				
4	103--53	2	1839-0	1				
4	103--83	2	1837-0	1				
4	103--91	2	1219-0	1				
4	104--21	2	1839-0	1				
4	104--43	2	0769-0	1				
4	104--50	2	1837-0	1				
4	103--13	2	1839-0	1				
4	104--31	2	0527-0	1				
4	103--47	2	1455-0	1				
4	104--49	2	1455-0	1				
4	104--50	2	1455-0	1				
4	103--82	2	1837-0	1				
4	103--94	2	1839-0	33				
4	103--96	2	1839-0	33				
4	103--98	2	1839-0	33				
4	104--00	2	1839-0	33				
4	104--02	2	1839-0	33				
4	104--03	2	1839-0	33				
4	104--04	2	1839-0	33				
4	104--05	2	0769-0	33				
4	104--07	2	1111-0	1				
4	104--08	2	1619-0	34				
4	104--09	2	1837-0	33				
4	104--19	2	1837-0	33				
4	104--20	2	1837-0	33				
4	104--26	2	1837-0	33				
4	104--27	2	1837-0	33				
4	104--38	2	1235-0	33				
4	104--42	2	1837-0	1				
4	104--57	2	1837-0	33				
4	103--51	2	1837-0	1				
4	103--52	2	1837-0	1				
4	103--53	2	1839-0	1				
4	103--83	2	1837-0	1				
4	103--91	2	1219-0	1				
4	104--21	2	1839-0	1				
4	104--43	2	0769-0	1				
4	104--50	2	1837-0	1				
4	103--13	2	1839-0	1				
4	104--31	2	0527-0	1				
4	103--47	2	1455-0	1				
4	104--49	2	1455-0	1				
4	104--50	2	1455-0	1				
4	103--82	2	1837-0	1				
4	103--94	2	1839-0	33				
4	103--96	2	1839-0	33				
4	103--98	2	1839-0	33				
4	104--00	2	1839-0	33				
4	104--02	2	1839-0	33				
4	104--03	2	1839-0	33				
4	104--04	2	1839-0	33				
4	104--05	2	0769-0	33				
4	104--07	2	1111-0	1				
4	104--08	2	1619-0	34				
4	104--09	2	1837-0	33				
4	104--19	2	1837-0	33				
4	104--20	2	1837-0	33				
4	104--26	2	1837-0	33				
4	104--27	2	1837-0	33				
4	104--38	2	1235-0	33				
4	104--42	2	1837-0	1				
4	104--57	2	1837-0	33				
4	103--51	2	1837-0	1				
4	103--52	2	1837-0	1				
4	103--53	2	1839-0	1				
4	103--83	2	1837-0	1				
4	103--91	2	1219-0	1				
4	104--21	2	1839-0	1				
4	104--43	2	0769-0	1				
4	104--50	2	1837-0	1				
4	103--13	2	1839-0	1				
4	104--31	2	0527-0	1				
4	103--47	2	1455-0	1				
4	104--49	2	1455-0	1				
4	104--50	2	1455-0	1				
4	103--82	2	1837-0	1				
4	103--94	2	1839-0	33				
4	103--96	2	1839-0	33				
4	103--98	2	1839-0	33				
4	104--00	2	1839-0	33				
4	104--02	2	1839-0	33				
4	104--03	2	1839-0	33				
4	104--04	2	1839-0	33				
4	104--05	2	0769-0	33				
4	104--07	2	1111-0	1				
4	104--08	2	1619-0	34				
4	104--09	2	1837-0	33				
4	104--19	2	1837-0	33				
4	104--20	2	1837-0	33				
4	104--26	2	1837-0	33				
4	104--27	2	1837-0	33				
4	104--38	2	1235-0	33				
4	104--42	2	1837-0	1				
4	104--57	2	1837-0	33				
4	103--51	2	1837-0	1				
4	103--52	2	1837-0	1				
4	103--53	2	1839-0	1				
4	103--83	2	1837-0	1				
4	103--91	2	1219-0	1				
4	104--21	2	1839-0	1				
4	104--43	2	0769-0	1				
4	104--50	2	1837-0	1				
4	103--13	2	1839-0	1				
4	104--31	2	0527-0	1				
4	103--47	2	1455-0	1				
4	104--49	2	1455-0	1				
4	104--50	2	1455-0	1				
4	103--82	2	1837-0	1				
4	103--94	2	1839-0	33				
4	103--96	2	1839-0	33				
4	103--98	2	1839-0	33				
4	104--00	2	1839-0	33				
4	104--02	2	1839-0	33				
4	104--03	2	1839-0	33				
4	104--04	2	1839-0	33				
4	104--05	2	0769-0	33				
4	104--07	2	1111-0	1				
4	104--08	2	1619-0	34				

INVOICE NO.	DEALER NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
104--62	104	2	0769-0	1		2278	2086	192
103--48	104	2	1637-0	1		2863	2486	377
103--72	104	2	1535-0	1		2730	2555	175
103--75	104	2	1839-0	1		3480	3252	228
103--93	104	2	1211-0	1		2304	2042	262
104--39	104	2	0769-0	1		2294	2106	188
104--44	104	2	1837-0	1		2859	2613	246
104--94	104	2	1619-0	1		2557	2367	190
103--50	104	2	1619-0	33				
103--74	104	2	1839-0	33				
103--89	104	2	1619-0	33				
103--97	104	2	1839-0	33				
103--99	104	2	1839-0	33				
104--01	104	2	1839-0	33				
104--06	104	2	0769-0	32				
104--56	104	2	1111-0	33				
104--60	104	2	1219-0	33				
104--61	104	2	1619-0	33				
104--63	104	2	1235-0	33				
104--64	104	2	1619-0	33				
104--65	104	2	1839-0	33				
104--71	104	2	1221-9	31				
104--74	104	2	0569-0	33				
105--32	104	2	1235-0	33				
105--38	104	2	1235-0	33				
105--57	104	2	1619-0	33				
102--87	104	2	1635-0	35				
103--78	104	2	1211-0	33				
103--84	104	2	1839-0	1		2830	2737	93
103--87	104	2	1837-0	1		2779	2610	169
104--36	104	2	1837-0	35				
104--47	104	2	1511-0	33				
104--59	104	2	1837-0	33				

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	104--66	2	1839-0	33				
4	104--77	2	1837-0	2	1	2830	2585	245
4	104--78	2	0769-0	2	1	2344	2081	263
4	104--79	2	1837-0	34	12			
4	104--80	2	1619-0	35				
4	104--81	2	1511-0	34	12			
4	104--82	2	0769-0	34	12			
4	104--83	2	1837-0	33				
4	104--84	2	1837-0	33				
4	104--85	2	1837-0	33				
4	104--86	2	1837-0	33				
4	104--87	2	1837-0	33				
4	104--88	2	1837-0	33				
4	104--89	2	1837-0	33		3042	2926	116
4	105--28	2	1867-0	1				
4	105--63	2	1839-0	33				
4	105--64	2	1619-0	33				
4	103--88	2	1837-0	1				
4	103--90	2	0769-0	1				
4	104--45	2	1635-0	1				
4	104--46	2	1635-0	1				
4	104--58	2	0769-0	1				
4	105--18	2	0769-0	1				
4	105--20	2	1611-0	1				
4	105--22	2	1637-0	1				
4	105--26	2	1819-9	31		4025	3674	351
4	105--27	2	0867-0	1				
4	105--29	2	1221-9	31				
4	105--30	2	1519-0	1				
4	105--71	2	1645-0	1		2485	2267	218
4	105--72	2	1611-0	1		3164	2843	321
4	105--73	2	1611-0	1				
4	105--74	2	1611-0	1				
4	105--75	2	1611-0	1				
4	105--76	2	1611-0	1				
4	105--77	2	1611-0	1				
4	105--78	2	1611-0	1				
4	105--79	2	1611-0	1				
4	105--80	2	1611-0	1				
4	105--81	2	1611-0	1				
4	105--82	2	1611-0	1				
4	105--83	2	1611-0	1				
4	105--84	2	1611-0	1				
4	105--85	2	1611-0	1				
4	105--86	2	1611-0	1				
4	105--87	2	1611-0	1				
4	105--88	2	1611-0	1				
4	105--89	2	1611-0	1				
4	105--90	2	1611-0	1				
4	105--91	2	1611-0	1				
4	105--92	2	1611-0	1				
4	105--93	2	1611-0	1				
4	105--94	2	1611-0	1				
4	105--95	2	1611-0	1				
4	105--96	2	1611-0	1				
4	105--97	2	1611-0	1				
4	105--98	2	1611-0	1				
4	105--99	2	1611-0	1				
4	105--100	2	1611-0	1				

DEALER INVOICE NO. MONTH AND YEAR OF SALE NET SELLING PRICE TO CUSTOMER DEALER INVOICE MARKUP

DEALER NO.	INVOICE NO.	MONTH SOLD	AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	105--52	2	1635-0	1		3060	2714	346
4	105--60	2	1837-0	1		2876	2649	227
4	105--62	2	0769-0	1		2335	2099	236
4	106--00	2	1211-0	1		2714	2177	537
4	100--97	2	1235-0	33				
4	102--81	2	1635-0	33				
4	104--72	2	1619-0	33				
4	104--76	2	1867-0	1				
4	105--33	2	1235-0	33		2963	2812	151
4	105--34	2	1837-0	33				
4	105--35	2	0769-0	2	1	2260	2013	247
4	105--36	2	1235-0	33				
4	105--39	2	0867-0	33				
4	105--53	2	0569-0	33				
4	105--69	2	1837-0	1				
4	105--70	2	1835-0	35		2737	2613	124
4	105--73	2	1619-0	33				
4	105--92	2	1839-0	33				
4	105--93	2	1635-0	33				
4	105--94	2	1611-0	33				
4	105--95	2	1635-0	33				
4	106--03	2	1837-0	33				
4	106--06	2	0569-0	33				
4	106--08	2	0769-0	33				
4	106--20	2	1837-0	33				
4	106--21	2	1635-0	33				
4	106--22	2	0769-0	33				
4	106--23	2	0769-0	33				
4	106--24	2	1611-0	33				
4	106--25	2	1837-0	33				
4	104--37	2	1837-0	1				
4	104--73	2	1211-0	1				
4	105--46	2	1839-0	1				
						2964	2727	237
						2374	2176	198
						2836	2645	191

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	105--67	2	1221-9	31		2743	2556	187
4	105--96	2	1837-0	1		2963	2684	279
4	105--41	2	1837-0	1		2940	2730	210
4	105--47	2	1635-0	1		2866	2574	292
4	105--54	2	1837-0	1				
4	105--77	2	1839-9	31				
4	105--88	2	1837-0	1		3049	2556	493
4	105--99	2	0769-0	1		2471	2136	335
4	106--11	2	1611-0	1		2566	2368	198
4	106--14	2	1837-0	1		2990	2567	423
4	106--26	2	1511-0	1		2540	2351	189
4	106--78	2	1111-0	1		2168	1911	257
4	105--78	2	1837-0	32				
4	105--87	2	1111-0	33				
4	105--91	2	1837-0	32				
4	106--16	2	0727-0	33				
4	106--18	2	0769-0	33				
4	106--19	2	0769-0	33				
4	106--34	2	1119-0	1				
4	106--35	2	0727-0	35				
4	106--36	2	1619-0	33				
4	106--40	2	0569-0	33				
4	106--43	2	1635-0	33				
4	106--44	2	1619-0	33				
4	105--89	2	1519-0	1				
4	106--28	2	0769-0	35				
4	106--37	2	1839-9	31				
4	106--56	2	1119-0	33				
4	107--34	2	0727-0	33				
4	107--40	2	0537-0	1				
4	107--42	2	0537-0	1				
4	107--43	2	0537-0	1				
4	107--44	2	0537-0	1				
4	107--45	2	0537-0	1				
4	107--46	2	0537-0	1				
4	107--47	2	0537-0	1				
4	107--48	2	0537-0	1				
4	107--49	2	0537-0	1				
4	107--50	2	0537-0	1				
4	107--51	2	0537-0	1				
4	107--52	2	0537-0	1				
4	107--53	2	0537-0	1				
4	107--54	2	0537-0	1				
4	107--55	2	0537-0	1				
4	107--56	2	0537-0	1				
4	107--57	2	0537-0	1				
4	107--58	2	0537-0	1				
4	107--59	2	0537-0	1				
4	107--60	2	0537-0	1				
4	107--61	2	0537-0	1				
4	107--62	2	0537-0	1				
4	107--63	2	0537-0	1				
4	107--64	2	0537-0	1				
4	107--65	2	0537-0	1				
4	107--66	2	0537-0	1				
4	107--67	2	0537-0	1				
4	107--68	2	0537-0	1				
4	107--69	2	0537-0	1				
4	107--70	2	0537-0	1				
4	107--71	2	0537-0	1				
4	107--72	2	0537-0	1				
4	107--73	2	0537-0	1				
4	107--74	2	0537-0	1				
4	107--75	2	0537-0	1				
4	107--76	2	0537-0	1				
4	107--77	2	0537-0	1				
4	107--78	2	0537-0	1				
4	107--79	2	0537-0	1				
4	107--80	2	0537-0	1				
4	107--81	2	0537-0	1				
4	107--82	2	0537-0	1				
4	107--83	2	0537-0	1				
4	107--84	2	0537-0	1				
4	107--85	2	0537-0	1				
4	107--86	2	0537-0	1				
4	107--87	2	0537-0	1				
4	107--88	2	0537-0	1				
4	107--89	2	0537-0	1				
4	107--90	2	0537-0	1				
4	107--91	2	0537-0	1				
4	107--92	2	0537-0	1				
4	107--93	2	0537-0	1				
4	107--94	2	0537-0	1				
4	107--95	2	0537-0	1				
4	107--96	2	0537-0	1				
4	107--97	2	0537-0	1				
4	107--98	2	0537-0	1				
4	107--99	2	0537-0	1				
4	107--100	2	0537-0	1				
4	107--101	2	0537-0	1				
4	107--102	2	0537-0	1				
4	107--103	2	0537-0	1				
4	107--104	2	0537-0	1				
4	107--105	2	0537-0	1				
4	107--106	2	0537-0	1				
4	107--107	2	0537-0	1				
4	107--108	2	0537-0	1				
4	107--109	2	0537-0	1				
4	107--110	2	0537-0	1				
4	107--111	2	0537-0	1				
4	107--112	2	0537-0	1				
4	107--113	2	0537-0	1				
4	107--114	2	0537-0	1				
4	107--115	2	0537-0	1				
4	107--116	2	0537-0	1				
4	107--117	2	0537-0	1				
4	107--118	2	0537-0	1				
4	107--119	2	0537-0	1				
4	107--120	2	0537-0	1				
4	107--121	2	0537-0	1				
4	107--122	2	0537-0	1				
4	107--123	2	0537-0	1				
4	107--124	2	0537-0	1				
4	107--125	2	0537-0	1				
4	107--126	2	0537-0	1				
4	107--127	2	0537-0	1				
4	107--128	2	0537-0	1				
4	107--129	2	0537-0	1				
4	107--130	2	0537-0	1				
4	107--131	2	0537-0	1				
4	107--132	2	0537-0	1				
4	107--133	2	0537-0	1				
4	107--134	2	0537-0	1				
4	107--135	2	0537-0	1				
4	107--136	2	0537-0	1				
4	107--137	2	0537-0	1				
4	107--138	2	0537-0	1				
4	107--139	2	0537-0	1				
4	107--140	2	0537-0	1				
4	107--141	2	0537-0	1				
4	107--142	2	0537-0	1				
4	107--143	2	0537-0	1				
4	107--144	2	0537-0	1				
4	107--145	2	0537-0	1				
4	107--146	2	0537-0	1				
4	107--147	2	0537-0	1				
4	107--148	2	0537-0	1				
4	107--149	2	0537-0	1				
4	107--150	2	0537-0	1				
4	107--151	2	0537-0	1				
4	107--152	2	0537-0	1				
4	107--153	2	0537-0	1				
4	107--154	2	0537-0	1				
4	107--155	2	0537-0	1				
4	107--156	2	0537-0	1				
4	107--157	2	0537-0	1				
4	107--158	2	0537-0	1				
4	107--159	2	0537-0	1				
4	107--160	2	0537-0	1				
4	107--161	2	0537-0	1				
4	107--162	2	0537-0	1				
4	107--163	2	0537-0	1				
4	107--164	2	0537-0	1				
4	107--165	2	0537-0	1				
4	107--166	2	0537-0	1				
4	107--167	2	0537-0	1				
4	107--168	2	0537-0	1				
4	107--169	2	0537-0	1				
4	107--170	2	0537-0	1				
4	107--171	2	0537-0	1				
4	107--172	2	0537-0	1				
4	107--173	2	0537-0	1				
4	107--174	2	0537-0	1				
4	107--175	2	0537-0	1				
4	107--176	2	0537-0	1				
4	107--177	2	0537-0	1				
4	107--178	2	0537-0	1				
4	107--179	2	0537-0	1				
4	107--180	2	0537-0	1				
4	107--181	2	0537-0	1				
4	107--182	2	0537-0	1				
4	107--183	2	0537-0	1				
4	107--184	2	0537-0	1				
4	107--185	2	0537-0	1				
4	107--186	2	0537-0	1				
4	107--187	2	0537-0	1				
4	107--188	2	0537-0	1				
4	107--189	2	0537-0	1				
4	107--190	2	0537-0	1				
4	107--191	2	0537-0	1				
4	107--192	2	0537-0	1				
4	107--193	2	0537-0	1				
4	107--194	2	0537-0	1				
4	107--195	2	0537-0	1				
4	107--196	2	0537-0	1				
4	107--197	2	0537-0	1				
4	107--198	2	0537-0	1				
4	107--199	2	0537-0	1				
4	107--200	2	0537-0	1				
4	107--201	2	0537-0	1				
4	107--202	2	0537-0	1				
4	107--203	2	0537-0	1				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	106--15	2	0569-0	1		2175	1864	311
4	106--38	2	1867-0	1		3094	2814	280
4	106--39	2	1867-9	31				
4	106--45	2	1511-0	1				
4	106--67	2	1867-0	1		2417	2060	357
4	106--76	2	1837-0	1		3135	2812	323
4	106--82	2	1121-0	1		2835	2624	211
4	106--41	2	0727-0	1		2062	1847	215
4	106--68	2	1839-0	1		2394	2062	332
4	106--75	2	0769-0	1		2889	2481	408
4	106--81	2	0727-0	1		2337	2079	258
4	107--10	2	0769-0	1		2249	2049	200
4	107--23	2	0569-0	1		2525	2048	477
4	107--29	2	1635-0	1		2141	1861	280
4	107--46	2	0867-0	1		3100	2847	253
4	105--09	2	1635-9	31		3809	3576	233
4	106--46	2	1837-0	1		2771	2611	160
4	106--58	2	0569-0	33				
4	106--72	2	1837-0	33				
4	106--73	2	1619-0	33				
4	106--80	2	0569-0	1				
4	107--01	2	1837-0	2	1	2105	1943	162
4	107--02	2	1839-0	35		2924	2536	388
4	107--26	2	1219-0	1		2496	2324	172
4	107--31	2	0727-0	34	12			
4	107--36	2	1235-0	35				
4	107--37	2	1235-0	35				
4	107--38	2	1611-0	1		2582	2445	137
4	107--47	2	1611-0	33				
4	107--48	2	1611-0	33				
4	107--54	2	1839-0	33				
4	107--55	2	1235-0	33				
4	107--57	2	1111-0	1		2254	2081	173

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	107--59	2	1737-0	33				
4	106--57	2	0569-0	33		2978	2813	165
4	106--66	2	1839-0	1				
4	107--03	2	1837-0	33				
4	107--32	2	1211-0	1		2395	2252	143
4	107--33	2	1837-0	1		2750	2617	133
4	107--50	2	1837-0	1		2782	2619	163
4	107--60	2	1211-0	33				
4	107--62	2	1737-0	33				
4	107--64	2	1635-0	33				
4	107--67	2	0727-0	33				
4	107--70	2	1837-0	1				
4	105--43	2	0769-0	1		2995	2847	148
4	106--09	2	0769-0	1		2222	1901	321
4	106--71	2	1635-0	1		2192	1910	282
4	106--74	2	0867-0	1		3106	2807	299
4	106--84	2	1867-0	1		3908	3557	351
4	107--05	2	1511-0	1		3164	2933	231
4	107--22	2	0769-0	1		2319	2047	272
4	107--27	2	0727-0	1		2342	2061	281
4	107--40	2	0727-0	1		2409	2144	265
4	107--45	2	1111-0	1		2256	2004	252
4	107--49	2	1839-0	35		2070	1890	180
4	107--51	2	1111-0	1				
4	107--52	2	1619-0	1		2381	2195	186
4	107--53	2	1619-0	1		2632	2475	157
4	107--61	2	1837-0	1		2767	2560	207
4	107--63	2	1635-0	33		2826	2639	187
4	107--73	2	0769-0	1				
4	107--87	3	1837-0	1		2315	2048	267
4	107--88	3	1839-0	1		2888	2546	342
4	108--20	3	0727-0	1		2925	2685	240
4	108--20	3	0727-0	1		2413	2064	349

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2044
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0723-0
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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	108--34	3	1837-0	1		3020	2569	451
4	108--39	3	0769-0	1		2612	2107	505
4	108--41	3	1511-0	1		2403	2194	209
4	108--43	3	1839-9	31				
4	108--53	3	0769-0	1		2386	2111	275
4	108--51	3	1635-0	1		2985	2757	228
4	108--56	3	1837-0	1		2825	2630	195
4	108--86	3	0727-0	1		2457	2063	394
4	108--91	3	0727-0	1		2434	2024	410
4	107--84	3	1839-0	33				
4	108--13	3	0727-0	33				
4	108--14	3	0727-0	33				
4	108--15	3	1839-0	33				
4	108--16	3	0727-0	33				
4	108--17	3	0727-0	33				
4	108--18	3	0867-0	2	1	4519	4136	383
4	108--21	3	1111-0	2	1	2356	2131	225
4	108--23	3	1837-0	33				
4	108--26	3	1839-0	33				
4	108--29	3	1645-9	31				
4	107--82	3	0727-0	1		2213	2035	178
4	108--44	3	1639-9	31				
4	108--72	3	1839-0	1		2807	2624	183
4	108--95	3	1839-0	1		3072	2760	312
4	107--42	3	1635-0	33				
4	107--86	3	1837-0	32				
4	108--20	3	1837-0	2	1	3004	2772	232
4	108--22	3	1839-0	34	12			
4	108--30	3	1637-0	33				
4	108--32	3	1637-0	33				
4	108--33	3	1837-0	32				
4	108--38	3	1519-0	33				
4	108--54	3	1619-0	33				

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	108--75	3	1119-0	1		2348	2174	174
4	108--78	3	1519-0	33				
4	108--79	3	1519-0	33				
4	108--81	3	1519-0	33				
4	108--82	3	1619-0	33				
4	108--83	3	1519-0	33				
4	108--87	3	0727-0	33				
4	108--89	3	0727-0	2	1	2286	2028	258
4	109--09	3	1619-0	33		3422	3174	248
4	108--74	3	1837-0	1				
4	108--52	3	1837-0	33				
4	108--84	3	1619-0	33				
4	108--88	3	0769-0	1		2261	2094	167
4	109--19	3	0727-0	2	1	2262	2026	236
4	109--20	3	0769-0	33				
4	109--21	3	0727-0	34				
4	109--23	3	1111-0	33				
4	108--27	3	0727-0	35	12			
4	108--35	3	1737-0	1		2497	2281	216
4	108--37	3	1837-0	1		2875	2546	329
4	108--50	3	1837-0	1		2745	2581	164
4	108--55	3	1837-0	1		3231	2624	607
4	108--57	3	1611-0	1		2690	2456	234
4	108--71	3	1837-0	1		2574	2347	227
4	108--76	3	1867-0	1		3013	2839	174
4	108--94	3	1635-0	1		2863	2674	189
4	109--04	3	1611-0	1		2664	2453	211
4	109--08	3	1837-0	1		2923	2690	233
4	109--12	3	1837-0	1		3524	2654	870
4	109--17	3	1235-0	1		3036	2717	319
4	109--22	3	0727-0	1		2209	2027	182
4	109--23	3	0727-0	1		2027	2027	182
4	109--24	3	0727-0	1		2027	2027	182

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	109-93	3	0769-0	1		2293	2037	256
4	109-95	3	1611-0	1		2572	2400	172
4	108-19	3	1737-0	35				
4	108-24	3	1135-0	35				
4	108-36	3	1645-0	1				
4	108-58	3	1839-0	33		2782	2633	149
4	108-80	3	1519-0	33				
4	108-93	3	1837-0	33				
4	109-10	3	1119-0	33				
4	109-15	3	1837-0	34	12			
4	109-22	3	1837-0	34	12			
4	109-25	3	1839-0	33				
4	109-34	3	1837-0	1				
4	109-37	3	0727-0	2	1	2855	2688	167
4	109-40	3	1635-0	33		2344	2043	301
4	109-41	3	1837-0	33				
4	109-82	3	1867-9	31				
4	109-92	3	0569-0	1		2003	1853	150
4	108-90	3	1837-0	33				
4	109-06	3	1211-0	33				
4	109-45	3	1839-9	31				
4	109-48	3	1645-0	1		3215	3054	161
4	109-52	3	1619-0	33				
4	109-89	3	1635-0	35				
4	109-96	3	1839-9	31				
4	110-04	3	0769-0	1				
4	110-13	3	0727-0	1		2120	1948	172
4	110-41	3	0769-0	33		2189	2021	168
4	108-69	3	1121-0	1				
4	109-83	3	1867-9	31		2235	2002	233
4	110-08	3	1119-0	1				
4	110-11	3	1835-0	1		2216	2006	210
4	110-12	3	1839-0	1		3843	3566	277
4						2783	2551	232

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	110--22	3	0769-0	1		2349	2070	279
4	110--24	3	1211-0	1		2396	2202	194
4	110--25	3	1867-0	1		3028	2758	270
4	110--26	3	0769-0	1		2299	2078	221
4	110--36	3	0769-0	1		2165	1968	197
4	109--42	3	0769-0	33				
4	109--11	3	1119-0	33				
4	109--53	3	1619-0	33				
4	109--90	3	1839-0	33				
4	109--91	3	0727-0	33				
4	109--94	3	1635-0	33				
4	110--14	3	0727-0	33				
4	110--16	3	1511-0	1				
4	110--17	3	0727-0	2	1	2379	2224	155
4	110--19	3	0727-0	35		2315	2051	264
4	110--27	3	1839-0	1				
4	110--28	3	1839-0	33		2733	2562	171
4	110--32	3	0769-0	34				
4	110--33	3	1837-0	1				
4	110--37	3	1645-0	1				
4	110--39	3	0769-0	33	12	2481	2356	125
4	110--47	3	1121-0	33		3047	2907	140
4	110--48	3	1837-0	35				
4	110--56	3	1839-0	33				
4	110--66	3	1839-0	33				
4	110--88	3	1115-0	1				
4	111--16	3	1235-0	33		2535	2362	173
4	111--23	3	1645-0	1				
4	111--24	3	1839-0	33		3030	2881	149
4	111--25	3	1637-0	33				
4	111--26	3	1619-0	33				
4	111--27	3	1619-0	33				
4	111--28	3	1619-0	33				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
44	110--07	3	0769-0	1		2270	2087	183
44	110--58	3	1837-0	1		3004	2555	449
44	110--73	3	1839-0	1		3108	2766	342
44	110--87	3	1645-0	1		3127	2840	287
44	108--73	3	1835-0	1		3166	2964	202
44	109--75	3	0769-0	1		2190	1936	254
44	109--88	3	1837-0	1		2865	2641	224
44	110--52	3	1837-0	1		2836	2487	349
44	110--70	3	1867-0	1		3114	2932	182
44	110--77	3	1837-0	33				
44	110--82	3	1611-0	1		2670	2470	200
44	111--18	3	1611-0	1		2575	2344	231
44	111--20	3	0769-0	1		2247	2070	177
44	111--22	3	1211-0	1		2411	2243	168
44	108--85	3	1837-0	35				
44	109--36	3	1537-0	2	1	2589	2359	230
44	109--76	3	0727-0	2	1	2289	2028	261
44	109--86	3	1839-0	33				
44	110--06	3	1619-0	33				
44	110--20	3	0727-0	33				
44	110--23	3	1619-0	33				
44	110--34	3	0727-0	34				
44	110--35	3	1819-0	34				
44	110--38	3	0727-0	33				
44	110--54	3	1235-0	33				
44	110--64	3	1635-0	33				
44	110--68	3	1111-0	1				
44	110--78	3	0727-0	33				
44	110--84	3	0727-0	34				
44	110--85	3	1337-0	2				
44	110--89	3	1839-0	33				
44	110--90	3	1839-0	33				
44	111--19	3	1111-0	1				

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	109--44	3	1535-0	1		2756	2391	365
4	109--54	3	1839-0	1		3113	2716	397
4	109--77	3	1835-0	1		3273	3037	236
4	109--79	3	1867-0	1		3314	2895	419
4	110--50	3	1837-0	1		2963	2666	297
4	110--51	3	1837-0	1		3150	2753	397
4	110--65	3	1511-0	1		2360	2154	206
4	110--67	3	1819-0	1		3117	2934	183
4	111--45	3	0569-0	1		2380	1926	454
4	111--48	3	0727-0	1		2332	2049	283
4	111--49	3	1839-0	1		2811	2574	237
4	111--52	3	0727-0	1		2370	1985	385
4	111--71	3	1839-0	1	12	3093	2628	465
4	109--39	3	1645-0	34				
4	109--85	3	1839-0	33				
4	110--10	3	1639-0	33				
4	110--15	3	1611-0	33				
4	110--18	3	1839-0	33				
4	110--45	3	1867-0	33				
4	110--49	3	1837-0	2	1	2665	2425	240
4	110--53	3	1235-0	33				
4	110--59	3	1135-0	33				
4	110--63	3	1619-0	33				
4	110--71	3	1635-0	33				
4	110--72	3	1637-0	33				
4	110--86	3	1511-0	34	12			
4	110--91	3	1839-0	33				
4	111--43	3	0727-0	1		2180	2019	161
4	109--84	3	1839-0	1		2865	2694	171
4	110--05	3	1211-0	33				
4	110--73	3	1635-0	33				
4	110--44	3	1511-0	33				
4	110--44	3	1511-0	33				

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	111-87	3	0769-0	1		2270	2104	166
4	111-88	3	1111-0	1		2172	2019	153
4	111-95	3	1635-0	33				
4	112-04	3	1619-0	33				
4	112-09	3	1635-0	33				
4	112-11	3	1635-0	1		2800	2626	174
4	112-07	3	1839-0	33				
4	112-08	3	1639-0	33				
4	112-46	3	1519-0	33				
4	112-48	3	1511-0	33				
4	112-53	3	0569-0	35				
4	112-57	3	1619-0	33				
4	112-59	3	1619-0	33				
4	112-62	3	1235-0	33		2835	2553	282
4	112-13	3	1837-0	1		2923	2626	297
4	112-49	3	1839-0	1		2666	2458	208
4	112-51	3	1611-0	1		2805	2536	269
4	112-52	3	1837-0	1		2327	2153	174
4	112-60	3	1211-0	1		2215	2036	179
4	112-45	3	1837-0	1		2946	2762	184
4	112-54	3	0527-0	1		2220	1944	276
4	112-73	3	1519-0	1		2538	2158	400
4	112-76	3	0867-0	1		3446	3187	259
4	112-80	3	1837-0	1		2961	2732	229
4	112-82	3	1619-0	33				
4	112-14	3	1619-0	33				
4	112-15	3	0527-0	33				
4	112-19	3	1645-0	1		2994	2857	137
4	112-20	3	1835-0	1		3181	3031	150
4	112-21	3	1835-0	1				
4	112-22	3	1835-0	1				

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DEALER INVOICE NO. MONTH MODEL NO. TYPE OF SALE OUTLET NO. NET SELLING PRICE TO CUSTOMER DEALER INVOICE MARKUP

DEALER NO.	INVOICE NO.	MONTH SOLD	MO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	112--25	3	1837-0	33				
4	112--26	3	0727-0	2		2089	1849	240
4	112--27	3	1511-0	33	1			
4	112--50	3	1119-0	1		2229	2065	164
4	112--56	3	1519-0	33				
4	112--58	3	1619-0	33				
4	112--63	3	0727-0	1		2175	2007	168
4	112--68	3	1235-0	33				
4	112--82	3	1867-0	33				
4	112--85	3	1311-0	33				
4	112--86	3	1311-0	33				
4	112--87	3	1311-0	33				
4	112--88	3	1311-0	33				
4	112--89	3	1311-0	33				
4	112--90	3	1311-0	33				
4	112--47	3	1235-0	1		2956	2566	390
4	112--75	3	1645-0	1		3534	3223	311
4	113--13	3	1737-0	1		2671	2485	186
4	113--18	3	0769-0	1		2377	2052	325
4	113--25	3	1519-0	1		2293	2111	182
4	113--31	3	1835-0	1		3614	3323	291
4	113--34	3	1111-0	1		2358	2133	225
4	113--43	3	1837-0	1		2655	2359	296
4	111--85	3	1867-0	33				
4	112--72	3	0727-0	33				
4	112--74	3	1839-0	1	12	2795	2673	122
4	112--95	3	1837-0	34				
4	112--96	3	1837-0	33				
4	112--97	3	1837-0	33				
4	112--98	3	1645-0	34	12			
4	112--99	3	1839-0	33				
4	113--00	3	1837-0	33				
4	113--01	3	1839-0	33				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	113--02	3	0769-0	2	1	2316	2081	235
4	113--03	3	1867-0	33				
4	113--04	3	1645-0	33				
4	113--09	3	1311-0	33				
4	113--10	3	1311-0	33				
4	113--11	3	1311-0	33				
4	113--16	3	0727-0	1				
4	113--17	3	1839-0	33		2186	2021	165
4	113--20	3	1519-0	33				
4	113--24	3	1211-0	35				
4	113--27	3	1111-0	33				
4	113--28	3	1619-0	33				
4	113--29	3	1219-0	33				
4	113--30	3	1519-0	33				
4	113--33	3	1837-0	33				
4	113--35	3	1119-0	33				
4	113--38	3	1839-0	33				
4	113--39	3	1839-0	33				
4	113--40	3	1839-0	33				
4	113--41	3	1839-0	33				
4	113--53	3	1839-0	33				
4	113--55	3	1619-0	33				
4	113--75	3	1511-0	1		2375	2255	120
4	113--71	3	1611-0	1		2652	2502	150
4	113--70	3	1519-0	33				
4	112--69	3	1639-0	33				
4	112--70	3	1235-0	33				
4	113--36	3	0727-0	2	1	2078	1826	252
4	113--37	3	1619-0	33	1	2697	2474	223
4	113--38	3	1619-0	33				
4	113--39	3	1619-0	33				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE*	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	113--44	3	1519-0	1				
4	113--46	3	1111-0	1		2384	2196	188
4	113--57	3	0727-0	1		2386	2160	226
4	113--68	3	1837-0	1		2099	1920	179
4	113--73	3	0769-0	1		2741	2518	223
4	113--81	4	1837-0	33		2295	2106	189
4	114--01	4	1837-0	34	12			
4	114--02	4	1837-0	35				
4	114--06	4	1611-0	34	12			
4	114--07	4	1837-0	35				
4	114--08	4	0527-0	33				
4	114--09	4	0527-0	33				
4	114--10	4	0727-0	33				
4	114--11	4	1737-0	35				
4	114--12	4	1619-0	33				
4	114--13	4	1737-0	34	12			
4	114--23	4	1867-0	33				
4	114--24	4	0727-0	1		2186	2021	165
4	114--28	4	1619-0	33				
4	114--26	4	1819-0	33				
4	114--36	4	1835-0	33				
4	114--37	4	1235-0	33				
4	114--38	4	1635-0	33				
4	114--39	4	1619-0	33				
4	114--40	4	0727-0	1		2162	2026	136
4	114--41	4	0769-0	34	12			
4	114--42	4	1719-0	1				
4	114--43	4	1619-0	1		2579	2441	138
4	114--56	4	1619-0	33		2563	2441	122
4	114--57	4	1235-0	33				
4	114--58	4	1837-0	33				
4	114--59	4	1867-0	33				
4	114--60	4	1635-0	33				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	114--66	4	1819-0	33		2199	2056	143
4	114--71	4	0727-0	1				
4	114--72	4	1619-0	33				
4	114--73	4	0727-0	35				
4	113--80	4	1837-0	1				
4	113--82	4	1839-0	1				
4	113--83	4	1839-0	1				
4	114--00	4	1645-0	1				
4	114--03	4	1737-0	1				
4	114--04	4	1637-0	1				
4	114--20	4	1111-0	1				
4	114--21	4	0769-0	1				
4	114--27	4	1837-0	1				
4	114--29	4	1837-0	1				
4	114--44	4	0727-0	1				
4	114--45	4	1867-0	1				
4	114--46	4	1837-0	1				
4	114--62	4	1839-0	1				
4	114--70	4	1837-0	1				
4	114--74	4	1837-0	1				
4	114--61	4	1837-0	1				
4	114--82	4	1837-0	1				
4	114--83	4	1135-0	1				
4	114--84	4	1837-0	1				
4	114--85	4	0769-0	1				
4	114--89	4	1111-0	1				
4	114--92	4	1635-0	1				
4	114--93	4	0569-0	1				
4	114--95	4	1837-0	1				
4	114--96	4	1861-0	1				
4	114--97	4	1837-0	1				
4	114--98	4	1837-0	1				
4	114--99	4	1837-0	1				
4	114--00	4	1837-0	1				
4	114--01	4	1837-0	1				
4	114--02	4	1837-0	1				
4	114--03	4	1837-0	1				
4	114--04	4	1837-0	1				
4	114--05	4	1837-0	1				
4	114--06	4	1837-0	1				
4	114--07	4	1837-0	1				
4	114--08	4	1837-0	1				
4	114--09	4	1837-0	1				
4	114--10	4	1837-0	1				
4	114--11	4	1837-0	1				
4	114--12	4	1837-0	1				
4	114--13	4	1837-0	1				
4	114--14	4	1837-0	1				
4	114--15	4	1837-0	1				
4	114--16	4	1837-0	1				
4	114--17	4	1837-0	1				
4	114--18	4	1837-0	1				
4	114--19	4	1837-0	1				
4	114--20	4	1837-0	1				
4	114--21	4	1837-0	1				
4	114--22	4	1837-0	1				
4	114--23	4	1837-0	1				
4	114--24	4	1837-0	1				
4	114--25	4	1837-0	1				
4	114--26	4	1837-0	1				
4	114--27	4	1837-0	1				
4	114--28	4	1837-0	1				
4	114--29	4	1837-0	1				
4	114--30	4	1837-0	1				
4	114--31	4	1837-0	1				
4	114--32	4	1837-0	1				
4	114--33	4	1837-0	1				
4	114--34	4	1837-0	1				
4	114--35	4	1837-0	1				
4	114--36	4	1837-0	1				
4	114--37	4	1837-0	1				
4	114--38	4	1837-0	1				
4	114--39	4	1837-0	1				
4	114--40	4	1837-0	1				
4	114--41	4	1837-0	1				
4	114--42	4	1837-0	1				
4	114--43	4	1837-0	1				
4	114--44	4	1837-0	1				
4	114--45	4	1837-0	1				
4	114--46	4	1837-0	1				
4	114--47	4	1837-0	1				
4	114--48	4	1837-0	1				
4	114--49	4	1837-0	1				
4	114--50	4	1837-0	1				
4	114--51	4	1837-0	1				
4	114--52	4	1837-0	1				
4	114--53	4	1837-0	1				
4	114--54	4	1837-0	1				
4	114--55	4	1837-0	1				
4	114--56	4	1837-0	1				
4	114--57	4	1837-0	1				
4	114--58	4	1837-0	1				
4	114--59	4	1837-0	1				
4	114--60	4	1837-0	1				
4	114--61	4	1837-0	1				
4	114--62	4	1837-0	1				
4	114--63	4	1837-0	1				
4	114--64	4	1837-0	1				
4	114--65	4	1837-0	1				
4	114--66	4	1837-0	1				
4	114--67	4	1837-0	1				
4	114--68	4	1837-0	1				
4	114--69	4	1837-0	1				
4	114--70	4	1837-0	1				
4	114--71	4	1837-0	1				
4	114--72	4	1837-0	1				
4	114--73	4	1837-0	1				
4	114--74	4	1837-0	1				
4	114--75	4	1837-0	1				
4	114--76	4	1837-0	1				
4	114--77	4	1837-0	1				
4	114--78	4	1837-0	1				
4	114--79	4	1837-0	1				
4	114--80	4	1837-0	1				
4	114--81	4	1837-0	1				
4	114--82	4	1837-0	1				
4	114--83	4	1837-0	1				
4	114--84	4	1837-0	1				
4	114--85	4	1837-0	1				
4	114--86	4	1837-0	1				
4	114--87	4	1837-0	1				
4	114--88	4	1837-0	1				
4	114--89	4	1837-0	1				
4	114--90	4	1837-0	1				
4	114--91	4	1837-0	1				
4	114--92	4	1837-0	1				
4	114--93	4	1837-0	1				
4	114--94	4	1837-0	1				
4	114--95	4	1837-0	1				
4	114--96	4	1837-0	1				
4	114--97	4	1837-0	1				
4	114--98	4	1837-0	1				
4	114--99	4	1837-0	1				
4	114--00	4	1837-0	1				
4	114--01	4	1837-0	1				
4	114--02	4	1837-0	1				
4	114--03	4	1837-0	1				
4	114--04	4	1837-0	1				
4	114--05	4	1837-0	1				
4	114--06	4	1837-0	1				
4	114--07	4	1837-0	1				
4	114--08	4	1837-0	1				
4	114--09	4	1837-0	1				
4	114--10	4	1837-0	1				
4	114--11	4	1837-0	1				
4	114--12	4	1837-0	1				
4	114--13	4	1837-0	1				
4	114--14	4	1837-0	1				
4	114--15	4	1837-0	1				
4	114--16	4	1837-0	1				
4	114--17	4	1837-0	1				
4	114--18	4	1837-0	1				
4	114--19	4	1837-0	1				
4	114--20	4	1837-0	1				
4	114--21	4	1837-0	1				
4	114--22	4	1837-0	1				
4	114--23	4	1837-0	1				
4	114--24	4	1837-0	1				
4	114--25	4	1837-0	1				
4	114--26	4	1837-0	1				
4	114--27	4	1837-0	1				
4	114--28	4	1837-0	1				
4	114--29	4	1837-0	1				
4	114--30	4	1837-0	1				
4	114--31	4	1837-0	1				
4	114--32	4	1837-0	1				
4	114--33	4	1837-0	1				
4	114--34	4	1837-0	1				
4	114--35	4	1837-0	1				
4	114--36	4	1837-0	1				
4	114--37	4	1837-0	1				
4	114--38	4	1837-0	1				
4	114--39	4	1837-0	1				
4	114--40	4	1837-0	1				
4	114--41	4	1837-0	1				
4	114--42	4	1837-0	1				
4	114--43	4	1837-0	1				
4	114--44	4	1837-0	1				
4	114--45	4	1837-0	1				
4	114--46	4	1837-0	1				
4	114--47	4	1837-0	1				
4	114--48	4	1837-0	1				
4	114--49	4	1837-0	1				
4	114--50	4	1837-0	1				
4	114--51	4	1837-0	1				
4	114--52	4	1837-0	1				
4	114--53	4	1837-0	1				
4	114--54	4	1837-0	1				
4	114--55	4	1837-0	1				
4	114--56	4	1837-0	1				
4	114--57	4	1837-0	1				
4	114--58	4	1837-0	1				
4	114--59	4	1837-0	1				
4	114--60	4	1837-0	1				
4	114--61	4	1837-0	1				
4	114--62	4	1837-0	1				
4	114--63	4	1837-0	1				
4	114--64	4	1837-0	1				
4	114--65	4	1837-0	1				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	114--80	4	1545-0	35				
4	114--81	4	1837-0	35				
4	114--86	4	0769-0	1				
4	114--88	4	1645-0	33		2129	1954	175
4	114--90	4	1667-0	33				
4	114--91	4	1839-0	33				
4	114--97	4	1119-0	33				
4	115--03	4	1111-0	1				
4	115--06	4	1837-0	33		2272	2123	149
4	115--07	4	1635-0	35				
4	115--09	4	1837-0	34	12			
4	115--10	4	1135-0	33				
4	115--11	4	1519-0	33				
4	115--08	4	1839-0	33				
4	115--14	4	1235-0	33				
4	115--15	4	1119-0	33	12			
4	115--16	4	1839-0	33				
4	115--31	4	1519-0	33				
4	115--54	4	0727-0	33				
4	115--56	4	0727-0	34	12			
4	115--57	4	1837-0	33				
4	115--58	4	0727-0	33	12			
4	115--64	4	1519-0	33				
4	115--33	4	0727-0	1		2223	2033	190
4	115--47	4	1867-0	1		3041	2778	263
4	115--49	4	0727-0	1		2226	2024	202
4	115--51	4	1635-0	1		2975	2772	203
4	115--88	4	1111-0	1		2265	1980	285
4	115--91	4	1837-0	1		2795	2606	189
4	115--94	4	1135-0	1		2492	2194	298
4	116--01	4	1119-0	1		2340	2111	229
4	116--07	4	0769-0	1		2050	1868	182
4	115--99	4	1619-0	33				

SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	115--46	4	1839-0	1		2970	2644	326
4	115--89	4	1837-0	1		2825	2632	193
4	115--95	4	1837-0	1		2983	2673	310
4	116--00	4	1111-0	1		2250	1985	265
4	115--62	4	1519-0	33				
4	115--65	4	1519-0	33				
4	115--63	4	1519-0	33				
4	115--66	4	1519-0	33				
4	115--81	4	1635-0	33				
4	115--82	4	1837-0	33				
4	115--90	4	1839-0	1		2760	2586	174
4	115--97	4	0527-0	33				
4	115--98	4	0769-0	32				
4	114--47	4	0867-0	1				
4	114--98	4	1837-0	1		3710	3422	288
4	115--50	4	1837-0	1		3358	2824	534
4	115--96	4	1837-0	1		2916	2767	149
4	116--02	4	1611-0	1		2873	2606	267
4	116--05	4	1867-0	1		2992	2845	147
4	116--09	4	1839-0	1		3286	3025	261
4	116--28	4	0727-0	1		2291	2017	274
4	116--41	4	0727-0	1		2239	2007	232
4	116--54	4	1839-0	1		3229	3010	219
4	115--30	4	1119-0	1		2558	2270	288
4	115--32	4	1619-0	33				
4	115--48	4	1119-0	33				
4	115--52	4	1645-0	1		3676	3511	165
4	115--53	4	1519-0	33				
4	115--59	4	1119-0	33		2140	2003	137
4	115--60	4	1519-0	33				
4	115--61	4	1611-0	33				
4	115--62	4	1611-0	33				

SELLING

MODEL NO.

INVOICE NO.

DEALER

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	115--85	4	1519-0	33				
4	115--86	4	1519-0	33				
4	115--87	4	1519-0	33				
4	116--08	4	1619-0	33				
4	116--33	4	1839-0	2	1	2885	2639	246
4	116--35	4	1619-0	2	1	2581	2413	168
4	116--42	4	1311-0	33				
4	116--43	4	1311-0	33				
4	116--44	4	1635-0	33				
4	116--45	4	1619-0	33				
4	116--63	4	1635-0	33				
4	116--38	4	0727-0	1		2173	1915	258
4	116--49	4	0769-0	1		2240	1995	245
4	116--55	4	1839-0	1		3252	3072	180
4	116--58	4	0769-0	1		2385	2054	331
4	116--60	4	1837-0	1		3140	2598	542
4	116--25	4	0727-0	33				
4	116--31	4	1837-0	33				
4	116--32	4	0867-0	2				
4	116--48	4	0727-0	1	1	4064	3841	223
4	116--57	4	1211-0	33		2081	1957	124
4	116--61	4	1837-0	33				
4	116--82	4	1121-0	33				
4	116--84	4	1121-0	33				
4	116--94	4	1319-0	33				
4	116--95	4	1319-0	33				
4	116--96	4	1319-0	33				
4	116--97	4	1319-0	33				
4	116--98	4	1319-0	33				
4	116--99	4	1319-0	33				
4	117--00	4	1319-0	33				
4	117--01	4	1319-0	33				
4	117--02	4	1319-0	33				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	117--03	4	1319-0	33				
4	117--04	4	1319-0	33				
4	117--06	4	1211-0	34	12			
4	116--29	4	1837-0	33				
4	116--30	4	1635-0	33				
4	116--34	4	1839-0	33				
4	116--52	4	0769-0	33				
4	116--59	4	1115-0	33				
4	116--69	4	0727-0	1		2038	1916	122
4	116--71	4	0727-0	1		2225	2051	174
4	116--81	4	1119-0	33				
4	117--05	4	1611-0	34	12			
4	117--07	4	0527-0	2				
4	117--08	4	0727-0	2	1			
4	117--16	4	1111-0	33		1958	1812	146
4	117--18	4	1111-0	33	1	2198	2009	189
4	117--46	4	1519-0	33				
4	116--36	4	1111-0	1				
4	116--37	4	0727-0	1				
4	116--51	4	1867-0	1				
4	116--64	4	0727-0	1				
4	116--80	4	0769-0	1				
4	116--87	4	1839-0	1				
4	116--83	4	1837-0	1				
4	116--85	4	1635-0	1				
4	116--86	4	1837-0	1				
4	117--11	4	1837-0	1				
4	117--14	4	0769-0	1				
4	117--34	4	0727-0	1				
4	117--50	4	1635-0	1				
4	117--52	4	1635-0	1				
4	117--53	4	1635-0	1				
4	117--54	4	1635-0	1				
4	117--55	4	1635-0	1				
4	117--56	4	1635-0	1				
4	117--57	4	1635-0	1				
4	117--58	4	1635-0	1				
4	117--59	4	1635-0	1				
4	117--60	4	1635-0	1				
4	117--61	4	1635-0	1				
4	117--62	4	1635-0	1				
4	117--63	4	1635-0	1				
4	117--64	4	1635-0	1				
4	117--65	4	1635-0	1				
4	117--66	4	1635-0	1				
4	117--67	4	1635-0	1				
4	117--68	4	1635-0	1				
4	117--69	4	1635-0	1				
4	117--70	4	1635-0	1				
4	117--71	4	1635-0	1				
4	117--72	4	1635-0	1				
4	117--73	4	1635-0	1				
4	117--74	4	1635-0	1				
4	117--75	4	1635-0	1				
4	117--76	4	1635-0	1				
4	117--77	4	1635-0	1				
4	117--78	4	1635-0	1				
4	117--79	4	1635-0	1				
4	117--80	4	1635-0	1				
4	117--81	4	1635-0	1				
4	117--82	4	1635-0	1				
4	117--83	4	1635-0	1				
4	117--84	4	1635-0	1				
4	117--85	4	1635-0	1				
4	117--86	4	1635-0	1				
4	117--87	4	1635-0	1				
4	117--88	4	1635-0	1				
4	117--89	4	1635-0	1				
4	117--90	4	1635-0	1				
4	117--91	4	1635-0	1				
4	117--92	4	1635-0	1				
4	117--93	4	1635-0	1				
4	117--94	4	1635-0	1				
4	117--95	4	1635-0	1				
4	117--96	4	1635-0	1				
4	117--97	4	1635-0	1				
4	117--98	4	1635-0	1				
4	117--99	4	1635-0	1				
4	117--100	4	1635-0	1				
4	117--101	4	1635-0	1				
4	117--102	4	1635-0	1				
4	117--103	4	1635-0	1				
4	117--104	4	1635-0	1				
4	117--105	4	1635-0	1				
4	117--106	4	1635-0	1				
4	117--107	4	1635-0	1				
4	117--108	4	1635-0	1				
4	117--109	4	1635-0	1				
4	117--110	4	1635-0	1				
4	117--111	4	1635-0	1				
4	117--112	4	1635-0	1				
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4	117--114	4	1635-0	1				
4	117--115	4	1635-0	1				
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4	117--117	4	1635-0	1				
4	117--118	4	1635-0	1				
4	117--119	4	1635-0	1				
4	117--120	4	1635-0	1				
4	117--121	4	1635-0	1				
4	117--122	4	1635-0	1				
4	117--123	4	1635-0	1				
4	117--124	4	1635-0	1				
4	117--125	4	1635-0	1				
4	117--126	4	1635-0	1				
4	117--127	4	1635-0	1				
4	117--128	4	1635-0	1				
4	117--129	4	1635-0	1				
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4	117--131	4	1635-0	1				
4	117--132	4	1635-0	1				
4	117--133	4	1635-0	1				
4	117--134	4	1635-0	1				
4	117--135	4	1635-0	1				
4	117--136	4	1635-0	1				
4	117--137	4	1635-0	1				
4	117--138	4	1635-0	1				
4	117--139	4	1635-0	1				
4	117--140	4	1635-0	1				
4	117--141	4	1635-0	1				
4	117--142	4	1635-0	1				
4	117--143	4	1635-0	1				
4	117--144	4	1635-0	1				
4	117--145	4	1635-0	1				
4	117--146	4	1635-0	1				
4	117--147	4	1635-0	1				
4	117--148	4	1635-0	1				
4	117--149	4	1635-0	1				
4	117--150	4	1635-0	1				
4	117--151	4	1635-0	1				
4	117--152	4	1635-0	1				
4	117--153	4	1635-0	1				
4	117--154	4	1635-0	1				
4	117--155	4	1635-0	1				
4	117--156	4	1635-0	1				
4	117--157	4	1635-0	1				
4	117--158	4	1635-0	1				
4	117--159	4	1635-0	1				
4	117--160	4	1635-0	1				
4	117--161	4	1635-0	1				
4	117--162	4	1635-0	1				
4	117--163	4	1635-0	1				
4	117--164	4	1635-0	1				
4	117--165	4	1635-0	1				
4	117--166	4	1635-0	1				
4	117--167	4	1635-0	1				
4	117--168	4	1635-0	1				
4	117--169	4	1635-0	1				
4	117--170	4	1635-0	1				
4	117--171	4	1635-0	1				
4	117--172	4	1635-0	1				
4	117--173	4	1635-0	1				
4	117--174	4	1635-0	1				
4	117--175	4	1635-0	1				
4	117--176	4	1635-0	1				
4	117--177	4	1635-0	1				
4	117--178	4	1635-0	1				
4	117--179	4	1635-0	1				
4	117--180	4	1635-0	1				
4	117--181	4	1635-0	1				
4	117--182	4	1635-0	1				
4	117--183	4	1635-0	1				
4	117--184	4	1635-0	1				
4	117--185	4	1635-0	1				
4	117--186	4	1635-0	1				
4	117--187	4	1635-0	1				
4	117--188	4	1635-0	1				
4	117--189	4	1635-0	1				
4	117--190	4	1635-0	1				
4	117--191	4	1635-0	1				
4	117--192	4	1635-0	1				
4	117--193	4	1635-0	1				
4	117--194	4	1635-0	1				
4	117--195	4	1635-0	1				
4	117--196	4	1635-0	1				
4	117--197	4	1635-0	1				
4	117--198	4	1635-0	1				
4	117--199	4	1635-0	1				
4	117--200	4	1635-0	1				
4	117--201	4	1635-0	1				
4	117--202	4	1635-0	1				
4	117--203	4	1635-0	1				
4	117--204	4	1635-0	1				
4	117--205	4	1635-0	1				
4	117--206	4	1635-0	1				
4	117--207	4	1635-0	1				
4	117--208	4	1635-0	1				
4	117--209	4	1635-0	1				
4	117--210	4	1635-0	1				
4	117--211	4	1635-0	1				
4	117--212	4	1635-0	1				
4	117--213	4	1635-0	1				
4	117--214	4	1635-0	1				

117-33 117-35 117-36 117-62 117-65 117-67 116-56 117-37 117-44 117-99 116-50 117-38 117-39 117-40 117-47 117-73 117-75 117-88 117-89 117-92 117-10 118-00 118-02 118-05 118-12 117-66 117-68 117-69 117-74 117-72 117-78 117-91 118-01

DEALER NO.	INVOICE NO.	MONTH SOLD	AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	117-33	4	1839-0	33				
4	117-35	4	1135-0	2				
4	117-36	4	1619-0	33	1	2588	2379	209
4	117-62	4	1619-0	33				
4	117-65	4	1839-0	1				
4	117-67	4	1837-0	35		2802	2674	128
4	116-56	4	1839-0	33				
4	117-37	4	1837-9	31				
4	117-44	4	0569-0	35				
4	117-99	4	1837-0	1				
4	116-50	4	0727-0	1				
4	117-38	4	1519-0	1				
4	117-39	4	1819-9	31				
4	117-40	4	0727-0	1				
4	117-47	4	1837-0	1				
4	117-73	4	0769-0	1				
4	117-75	4	1837-0	1				
4	117-88	4	1839-0	1				
4	117-89	4	1837-0	1				
4	117-92	4	0727-0	1				
4	117-10	4	1839-0	1				
4	118-00	4	1611-0	1				
4	118-02	4	0569-0	1				
4	118-05	4	1835-0	1				
4	118-12	4	1837-0	1				
4	117-66	4	1235-0	35				
4	117-68	4	1619-0	33				
4	117-69	4	1837-0	33				
4	117-74	4	1837-0	1				
4	117-72	4	0727-0	35				
4	117-78	4	1839-0	1				
4	117-91	4	0769-0	32				
4	118-01	4	1867-0	1				
						2766	2637	129
						2841	2687	154
						2911	2799	112

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	118--03	4	1619-0	33		2768	2594	174
4	118--04	4	1235-0	1		3044	2552	492
4	117--64	4	1837-0	1		2157	1953	204
4	118--19	4	0527-0	1		2421	2141	280
4	118--20	4	0769-0	1		2353	2027	326
4	118--25	4	1111-0	1		2327	2007	320
4	118--26	4	1111-0	1		3010	2742	268
4	118--27	4	1635-0	1		2954	2601	353
4	118--28	4	1837-0	1		3321	2783	538
4	118--36	4	1837-0	1		2180	1972	208
4	118--40	4	0727-0	1		2836	2725	111
4	118--21	4	1839-0	1				
4	118--37	4	0769-0	34	12	2695	2579	116
4	118--42	5	1837-0	1				
4	118--58	5	1867-0	33				
4	118--59	5	0769-0	32				
4	118--61	5	1837-0	33				
4	118--62	5	1837-0	33				
4	118--63	5	1635-0	33				
4	118--64	5	1837-0	34	12			
4	118--65	5	1645-0	34	12			
4	118--66	5	1119-0	34	12			
4	118--67	5	1837-0	34	12			
4	118--68	5	1645-0	34	12			
4	118--70	5	1867-0	33	12			
4	118--73	5	0727-0	35				
4	118--74	5	1867-0	32				
4	118--75	5	1819-0	1				
4	118--76	5	1619-0	33				
4	118--77	5	1619-0	33				
4	118--78	5	1619-0	33				
4	118--79	5	1619-0	33				
4	118--80	5	1619-0	33				
4	118--81	5	1619-0	33				
4	118--82	5	1619-0	33				
4	118--83	5	1619-0	33				
4	118--84	5	1619-0	33				
4	118--85	5	1619-0	33				
4	118--86	5	1619-0	33				
4	118--87	5	1619-0	33				
4	118--88	5	1619-0	33				
4	118--89	5	1619-0	33				
4	118--90	5	1619-0	33				
4	118--91	5	1619-0	33				
4	118--92	5	1619-0	33				
4	118--93	5	1619-0	33				
4	118--94	5	1619-0	33				
4	118--95	5	1619-0	33				
4	118--96	5	1619-0	33				
4	118--97	5	1619-0	33				
4	118--98	5	1619-0	33				
4	118--99	5	1619-0	33				
4	118--00	5	1619-0	33				
4	118--01	5	1619-0	33				
4	118--02	5	1619-0	33				
4	118--03	5	1619-0	33				
4	118--04	5	1619-0	33				
4	118--05	5	1619-0	33				
4	118--06	5	1619-0	33				
4	118--07	5	1619-0	33				
4	118--08	5	1619-0	33				
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4	118--11	5	1619-0	33				
4	118--12	5	1619-0	33				
4	118--13	5	1619-0	33				
4	118--14	5	1619-0	33				
4	118--15	5	1619-0	33				
4	118--16	5	1619-0	33				
4	118--17	5	1619-0	33				
4	118--18	5	1619-0	33				
4	118--19	5	1619-0	33				
4	118--20	5	1619-0	33				
4	118--21	5	1619-0	33				
4	118--22	5	1619-0	33				
4	118--23	5	1619-0	33				
4	118--24	5	1619-0	33				
4	118--25	5	1619-0	33				
4	118--26	5	1619-0	33				
4	118--27	5	1619-0	33				
4	118--28	5	1619-0	33				
4	118--29	5	1619-0	33				
4	118--30	5	1619-0	33				
4	118--31	5	1619-0	33				
4	118--32	5	1619-0	33				
4	118--33	5	1619-0	33				
4	118--34	5	1619-0	33				
4	118--35	5	1619-0	33				
4	118--36	5	1619-0	33				
4	118--37	5	1619-0	33				
4	118--38	5	1619-0	33				
4	118--39	5	1619-0	33				
4	118--40	5	1619-0	33				
4	118--41	5	1619-0	33				
4	118--42	5	1619-0	33				
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4	118--45	5	1619-0	33				
4	118--46	5	1619-0	33				
4	118--47	5	1619-0	33				
4	118--48	5	1619-0	33				
4	118--49	5	1619-0	33				
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4	118--52	5	1619-0	33				
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4	118--55	5	1619-0	33				
4	118--56	5	1619-0	33				
4	118--57	5	1619-0	33				
4	118--58	5	1619-0	33				
4	118--59	5	1619-0	33				
4	118--60	5	1619-0	33				
4	118--61	5	1619-0	33				
4	118--62	5	1619-0	33				
4	118--63	5	1619-0	33				
4	118--64	5	1619-0	33				
4	118--65	5	1619-0	33				
4	118--66	5	1619-0	33				
4	118--67	5	1619-0	33				
4	118--68	5	1619-0	33				
4	118--69	5	1619-0	33				
4	118--70	5	1619-0	33				
4	118--71	5	1619-0	33				
4	118--72	5	1619-0	33				
4	118--73	5	1619-0	33				
4	118--74	5	1619-0	33				
4	118--75	5	1619-0	33				
4	118--76	5	1619-0	33				
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4	118--79	5	1619-0	33				
4	118--80	5	1619-0	33				
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4	118--82	5	1619-0	33				
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4	118--87	5	1619-0	33				
4	118--88	5	1619-0	33				
4	118--89	5	1619-0	33				
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4	118--91	5	1619-0	33				
4	118--92	5	1619-0	33				
4	118--93	5	1619-0	33				
4	118--94	5	1619-0	33				
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4	118--02	5	1619-0	33				
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4	118--08	5	1619-0	33				
4	118--09	5	1619-0	33				
4	118--10	5	1619-0	33				
4	118--11	5	1619-0	33				
4	118--12	5	1619-0	33				
4	118--13	5	1619-0	33				
4	118--14	5	1619-0	33				
4	118--15	5	1619-0	33				
4	118--16	5	1619-0	33				
4	118--17	5	1619-0	33				
4	118--18	5	1619-0	33				
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4	118--22	5	1619-0	33				
4	118--23	5	1619-0	33				
4	118--24	5	1619-0	33				
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4	118--27	5	1619-0	33				
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4	118--30	5	1619-0	33				
4	118--31	5	1619-0	33				
4	118--32	5	1619-0	33				
4	118--33	5	1619-0	33				
4	118--34	5	1619-0	33				
4	118--35	5	1619-0	33				
4	118--36	5	1619-0	33				
4	118--37	5	1619-0	33				
4	118--38	5	1619-0	33				
4	118--39	5	1619-0	33				
4	118--40	5	1619-0	33				
4	118--41	5						

118-87 118-88 118-89 118-94 118-97 118-69 118-90 119-14 118-80 118-92 119-00 119-18 119-21 119-22 119-29 119-30 119-37 119-38 119-56 119-61 119-63 119-67 119-81 119-82 119-84 119-86 119-87 119-88 120-17 119-01 119-02 119-12 119-16

DEALER NO.	INVOICE NO.	MONTH SOLD	AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	118-87	5	1635-0	33				
4	118-88	5	1839-0	33				
4	118-89	5	1619-0	33				
4	118-94	5	1219-0	1				
4	118-97	5	0569-0	33		2405	2278	127
4	118-69	5	1837-0	1				
4	118-90	5	0867-0	1		2900	2648	252
4	119-14	5	0769-0	1		3993	3685	308
4	118-80	5	1619-0	33		2339	2076	261
4	118-92	5	1619-0	33				
4	119-00	5	0727-0	33				
4	119-18	5	0527-0	35	12			
4	119-21	5	1635-0	34				
4	119-22	5	1635-0	33				
4	119-29	5	1111-0	35				
4	119-30	5	1635-0	33				
4	119-37	5	1839-0	33				
4	119-38	5	1619-0	33				
4	119-56	5	1511-0	1				
4	119-61	5	1837-0	1		2367	2252	115
4	119-63	5	1837-0	1		3213	3086	127
4	119-67	5	0569-0	33		2855	2704	151
4	119-81	5	1835-0	33				
4	119-82	5	0769-0	2				
4	119-84	5	1837-0	33	1	2137	1933	204
4	119-86	5	1867-0	1				
4	119-87	5	0727-0	2		2915	2774	141
4	119-88	5	1839-0	33	1	2233	2043	190
4	120-17	5	1635-0	33				
4	119-01	5	0727-0	1				
4	119-02	5	0769-0	1				
4	119-12	5	1837-0	1				
4	119-16	5	0527-0	1				
						2259	1922	337
						2330	2057	273
						2816	2555	261
						2108	1846	262

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	119--17	5	1511-0	1		2534	2220	314
4	119--13	5	0727-0	1		2364	2105	259
4	119--68	5	0727-0	1		2420	2083	337
4	119--69	5	1837-0	1		2890	2655	235
4	119--72	5	1837-0	1		3041	2700	341
4	119--03	5	1119-0	1		2444	2249	195
4	119--19	5	1519-0	33		2570	2295	275
4	119--64	5	1135-0	1		2509	2320	189
4	119--65	5	1519-0	1		2871	2622	249
4	119--76	5	1837-0	1		2558	2112	446
4	119--77	5	0769-0	1		2979	2552	427
4	120--05	5	1837-0	1		2600	2347	253
4	120--06	5	1837-0	1				
4	119--57	5	1837-0	33				
4	119--62	5	1235-0	33				
4	120--07	5	1635-0	33				
4	120--08	5	1635-0	33				
4	120--34	5	0727-0	33				
4	119--04	5	1837-0	33				
4	119--23	5	1119-0	33				
4	119--24	5	1119-0	33				
4	119--31	5	1837-0	33				
4	119--58	5	1867-0	33				
4	120--35	5	1611-0	1				
4	118--99	5	0769-0	33				
4	119--25	5	1635-0	33				
4	119--66	5	1837-0	1				
4	119--78	5	1839-0	33				
4	119--79	5	1839-0	33				
4	120--02	5	0727-0	1				
4	119--17	5	1511-0	1				
4	119--13	5	0727-0	1				
4	119--68	5	0727-0	1				
4	119--69	5	1837-0	1				
4	119--72	5	1837-0	1				
4	119--03	5	1119-0	1				
4	119--19	5	1519-0	33				
4	119--64	5	1135-0	1				
4	119--65	5	1519-0	1				
4	119--76	5	1837-0	1				
4	119--77	5	0769-0	1				
4	120--05	5	1837-0	1				
4	120--06	5	1837-0	1				
4	119--57	5	1837-0	33				
4	119--62	5	1235-0	33				
4	120--07	5	1635-0	33				
4	120--08	5	1635-0	33				
4	120--34	5	0727-0	33				
4	119--04	5	1837-0	33				
4	119--23	5	1119-0	33				
4	119--24	5	1119-0	33				
4	119--31	5	1837-0	33				
4	119--58	5	1867-0	33				
4	120--35	5	1611-0	1				
4	118--99	5	0769-0	33				
4	119--25	5	1635-0	33				
4	119--66	5	1837-0	1				
4	119--78	5	1839-0	33				
4	119--79	5	1839-0	33				
4	120--02	5	0727-0	1				
4	119--17	5	1511-0	1				
4	119--13	5	0727-0	1				
4	119--68	5	0727-0	1				
4	119--69	5	1837-0	1				
4	119--72	5	1837-0	1				
4	119--03	5	1119-0	1				
4	119--19	5	1519-0	33				
4	119--64	5	1135-0	1				
4	119--65	5	1519-0	1				
4	119--76	5	1837-0	1				
4	119--77	5	0769-0	1				
4	120--05	5	1837-0	1				
4	120--06	5	1837-0	1				
4	119--57	5	1837-0	33				
4	119--62	5	1235-0	33				
4	120--07	5	1635-0	33				
4	120--08	5	1635-0	33				
4	120--34	5	0727-0	33				
4	119--04	5	1837-0	33				
4	119--23	5	1119-0	33				
4	119--24	5	1119-0	33				
4	119--31	5	1837-0	33				
4	119--58	5	1867-0	33				
4	120--35	5	1611-0	1				
4	118--99	5	0769-0	33				
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4	119--66	5	1837-0	1				
4	119--78	5	1839-0	33				
4	119--79	5	1839-0	33				
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4	119--17	5	1511-0	1				
4	119--13	5	0727-0	1				
4	119--68	5	0727-0	1				
4	119--69	5	1837-0	1				
4	119--72	5	1837-0	1				
4	119--03	5	1119-0	1				
4	119--19	5	1519-0	33				
4	119--64	5	1135-0	1				
4	119--65	5	1519-0	1				
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4	120--08	5	1635-0	33				
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4	119--04	5	1837-0	33				
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4	119--24	5	1119-0	33				
4	119--31	5	1837-0	33				
4	119--58	5	1867-0	33				
4	120--35	5	1611-0	1				
4	118--99	5	0769-0	33				
4	119--25	5	1635-0	33				
4	119--66	5	1837-0	1				
4	119--78	5	1839-0	33				
4	119--79	5	1839-0	33				
4	120--02	5	0727-0	1				
4	119--17	5	1511-0	1				
4	119--13	5	0727-0	1				
4	119--68	5	0727-0	1				
4	119--69	5	1837-0	1				
4	119--72	5	1837-0	1				
4	119--03	5	1119-0	1				
4	119--19	5	1519-0	33				
4	119--64	5	1135-0	1				
4	119--65	5	1519-0	1				
4	119--76	5	1837-0	1				
4	119--77	5	0769-0	1				
4	120--05	5	1837-0	1				
4	120--06	5	1837-0	1				
4	119--57	5	1837-0	33				
4	119--62	5	1235-0	33				
4	120--07	5	1635-0	33				
4	120--08	5	1635-0	33				
4	120--34	5	0727-0	33				
4	119--04	5	1837-0	33				
4	119--23	5	1119-0	33				
4	119--24	5	1119-0	33				
4	119--31	5	1837-0	33				
4	119--58	5	1867-0	33				
4	120--35	5	1611-0	1				
4	118--99	5	0769-0	33				
4	119--25	5	1635-0	33				
4	119--66	5	1837-0	1				
4	119--78	5	1839-0	33				
4	119--79	5	1839-0	33				
4	120--02	5	0727-0	1				
4	119--17	5	1511-0	1				
4	119--13	5	0727-0	1				
4	119--68	5	0727-0	1				
4	119--69	5	1837-0	1				
4	119--72	5	1837-0	1				
4	119--03	5	1119-0	1				
4	119--19	5	1519-0	33				
4	119--64	5	1135-0	1				
4	119--65	5	1519-0	1				
4	119--76	5	1837-0	1				
4	119--77	5	0769-0	1				
4	120--05	5	1837-0	1				
4	120--06	5	1837-0	1				
4	119--57	5	1837-0	33				
4	119--62	5	1235-0	33				
4	120--07	5	1635-0	33				
4	120--08	5	1635-0	33				
4	120--34	5	0727-0	33				
4	119--04	5	1837-0	33				
4	119--23	5	1119-0	33				
4	119--24	5	1119-0	33				
4	119--31	5	1837-0	33				
4	119--58	5	1867-0	33				
4	120--35	5	1611-0	1				
4	118--99	5	0769-0	33				
4	119--25	5	1635-0	33				
4	119--66	5	1837-0	1				
4	119--78	5	1839-0	33				
4	119--79	5	1839-0	33				
4	120--02	5	0727-0	1				
4	119--17	5	1511-0	1				
4	119--13	5	0727-0	1				
4	119--68	5	0727-0	1				
4	119--69	5	1837-0	1				
4	119--72	5	1837-0	1				
4	119--03	5	1119-0	1				
4	119--19	5	1519-0	33				
4	119--64	5	1135-0	1				
4	119--65	5	1519-0	1				
4	119--76	5	1837-0	1				
4	119--77	5	0769-0	1				
4	120--05							

DEALER NO.	INVOICE NO.	MONTH SOLD	AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	120--31	5	1111-0	1		2181	1969	212
4	120--32	5	0727-0	1		2249	1901	348
4	119--73	5	0727-0	1		2368	1942	426
4	120--33	5	0727-0	1		2218	1930	288
4	118--72	5	1837-0	33				
4	119--28	5	1235-0	33				
4	119--59	5	1835-0	33				
4	119--60	5	1635-0	33				
4	119--80	5	0867-0	33				
4	119--93	5	1639-0	33				
4	120--14	5	1619-0	33				
4	120--15	5	1619-0	33				
4	120--16	5	1619-0	33				
4	120--39	5	1837-0	1		2823	2650	173
4	120--43	5	1619-0	33				
4	120--44	5	1519-0	33				
4	120--45	5	1645-0	33				
4	120--10	5	1837-0	33				
4	120--27	5	0769-0	33				
4	120--28	5	0769-0	2	1	2231	2094	137
4	120--37	5	1635-0	33				
4	120--38	5	1839-0	33				
4	120--40	5	1837-0	33				
4	120--42	5	1519-0	33				
4	120--53	5	1837-0	33				
4	120--55	5	1867-0	1		3081	2939	142
4	120--67	5	1839-0	1		2825	2713	112
4	120--73	5	1839-0	33				
4	119--71	5	0527-0	1		1941	1752	189
4	120--58	5	1867-0	1		3567	3364	203
4	120--60	5	1837-0	1		2959	2547	412
4	120--70	5	1837-0	1		2772	2616	156
4	120--36	5	1219-0	2	1	2460	2251	209

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - COURTESY

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	120--66	5	1839-9	31				
4	120--68	5	1839-0	33				
4	120--69	5	1837-0	33				
4	120--83	5	1619-0	33				
4	120--84	5	0727-0	1		2156	1999	157
4	121--12	5	1837-0	1		2720	2581	139
4	121--14	5	1611-0	33				
4	121--15	5	0769-0	1		2081	1998	83
4	121--16	5	0769-0	1		2132	2050	82
4	120--41	5	1867-0	1		2941	2717	224
4	120--54	5	1839-0	1		2787	2568	219
4	120--56	5	0769-0	1		2317	2114	203
4	120--57	5	1837-0	1		2842	2576	266
4	120--71	5	0769-0	1		2289	2053	236
4	120--72	5	0769-0	1		2283	1929	354.
4	120--79	5	0727-0	1		2347	2075	272
4	120--81	5	0769-0	1		2161	1981	180
4	121--09	5	0727-0	1		2089	1897	192
4	121--13	5	1839-0	1		2970	2783	187
4	121--04	5	1839-0	33				
4	121--05	5	1837-0	33				
4	121--06	5	1837-0	34				
4	121--11	5	1111-0	1				
4	121--27	5	1837-0	1				
4	121--49	5	1111-0	33				
4	121--50	5	1111-0	33				
4	121--51	5	1111-0	33				
4	119--32	5	1611-0	1				
4	120--77	5	1839-0	1				
4	121--08	5	0727-0	1				
4	121--10	5	0727-0	1				
4	121--11	5	0727-0	1				
4	121--12	5	0727-0	1				
4	121--13	5	0727-0	1				
4	121--14	5	0727-0	1				
4	121--15	5	0727-0	1				
4	121--16	5	0727-0	1				
4	121--17	5	0727-0	1				
4	121--18	5	0727-0	1				
4	121--19	5	0727-0	1				
4	121--20	5	0727-0	1				
4	121--21	5	0727-0	1				
4	121--22	5	0727-0	1				
4	121--23	5	0727-0	1				
4	121--24	5	0727-0	1				
4	121--25	5	0727-0	1				
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4	121--33	5	0727-0	1				
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4	121--35	5	0727-0	1				
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4	121--44	5	0727-0	1				
4	121--45	5	0727-0	1				
4	121--46	5	0727-0	1				
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4	121--119	5	0727-0	1				
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4	121--165	5	0727-0	1				
4	121--166	5	0727-0	1				
4	121--167	5	0727-0	1				
4	121--168	5	0727-0	1				
4	121--169	5	0727-0	1				
4	121--170	5	0727-0	1				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	121--43	5	1737-0	1				
4	120--75	5	1121-0	33		2652	2449	203
4	120--76	5	1121-0	33				
4	121--47	5	1837-0	1				
4	121--53	5	0769-0	33		2892	2758	134
4	121--55	5	1119-0	34				
4	121--56	5	1635-0	33	12			
4	121--45	5	0769-0	1				
4	121--48	5	0727-0	1				
4	121--26	5	1837-0	1				
4	121--81	5	1619-0	1				
4	121--59	5	1635-0	33		2252	2063	189
4	121--78	5	1839-0	33		2269	2073	196
4	121--79	5	1837-0	33		2768	2635	133
4	121--85	5	1645-0	33				
4	121--90	5	1837-0	1				
4	121--91	5	1545-0	33				
4	121--95	5	0727-0	1		2852	2699	153
4	121--96	5	1619-0	33				
4	121--92	5	1545-0	33		2188	2026	162
4	121--60	5	0727-0	1				
4	121--61	5	1837-0	1				
4	121--72	5	1839-0	1				
4	121--73	5	1519-0	1				
4	121--93	5	1837-0	1				
4	122--30	5	0769-0	1		2245	2027	218
4	122--31	5	1837-0	1		2792	2579	213
4	122--33	5	1867-0	1		2880	2669	211
4	122--38	5	1839-0	1		2548	2303	245
4	122--40	5	1837-0	1		2886	2693	193
4	121--80	5	1839-0	1		2370	2075	295
4	122--29	5	1837-0	1		2778	2547	231
4	122--32	5	1837-0	1		2984	2797	187
4		5	1839-0	1		2834	2629	205
4		5	1837-0	1		2951	2605	346
4		5	1839-0	2	11	2844	2663	181
4		5	1837-0	1		2816	2730	86
4		5	1837-0	1		2861	2692	169

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	122--34	5	0867-0	35				
4	122--35	5	0727-0	2	11	2161	2051	110
4	122--37	5	1637-0	33				
4	122--39	5	1839-0	34	12			
4	122--41	5	1837-0	33				
4	122--51	5	0727-0	1		2193	2047	146
4	122--52	5	1867-9	31				
4	122--54	5	1867-0	33				
4	122--67	5	1135-0	35				
4	122--28	5	1837-0	1		2941	2579	362
4	122--36	5	0727-0	1		2346	2041	305
4	122--50	5	1837-0	1		2689	2486	203
4	122--53	5	1837-0	1		2980	2752	228
4	122--55	5	1645-0	1		3076	2777	299
4	122--76	5	0727-0	1		2446	2080	366
4	122--77	5	0769-0	1		2513	2099	414
4	122--78	5	0527-0	1		2322	1946	376
4	122--69	5	1619-0	33				
4	122--82	5	1635-0	33		3064	2919	145
4	122--85	5	1645-0	1				
4	122--86	5	1611-0	33				
4	122--95	5	0727-0	2	11	2138	1996	142
4	122--96	5	0769-0	2	1	2288	2070	218
4	122--97	5	1839-0	1		3109	3008	101
4	123--19	5	1119-0	1		2226	2113	113
4	122--84	5	1839-0	1		2662	2344	318
4	123--11	5	1737-0	1		2659	2456	203
4	123--15	5	0769-0	1		2525	2114	411
4	122--93	5	1839-0	33				
4	122--94	5	1839-0	33				
4	123--18	5	1867-0	33				
4	123--21	5	1867-0	33				

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	123--42	5	1837-0	1		2591	2459	132
4	123--09	5	1635-0	1		2875	2668	207
4	123--10	5	0527-0	1		2084	1821	263
4	123--26	5	0569-0	1		2270	2053	217
4	123--47	5	1519-0	33				
4	123--50	5	1635-0	1		2852	2699	153
4	123--52	5	1839-0	1		2800	2667	133
4	123--54	5	1235-0	1		2675	2513	162
4	123--57	5	0727-0	1		2156	2026	130
4	123--58	5	1635-0	1		2820	2646	174
4	123--43	5	1635-0	1		2920	2688	232
4	123--56	5	1839-0	1		2845	2639	206
4	123--59	5	1837-0	1		2933	2531	402
4	123--60	5	1635-0	1		3287	2942	345
4	122--42	5	1635-0	33				
4	122--91	5	1635-0	33				
4	122--92	5	1635-0	33				
4	123--25	5	0769-0	1		2276	2119	157
4	123--76	5	1837-0	33				
4	123--77	5	1619-0	2	1	2634	2460	174
4	123--79	5	1837-0	33				
4	123--80	5	1837-0	35				
4	123--81	5	0769-0	33				
4	123--82	5	0769-0	33				
4	123--86	5	0727-0	33				
4	124--00	5	1839-0	33				
4	124--11	5	1839-0	33				
4	124--12	5	0769-0	33				
4	124--13	5	1837-0	33				
4	124--17	5	0727-0	1		2100	1936	164
4	123--83	5	1111-0	1		2363	2162	201
4	123--51	5	1511-0	1		2393	2152	241
4	123--53	5	1837-0	1		2755	2579	176

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	124--06	5	1837-0	1		2936	2713	223
4	124--08	5	1839-0	1		3030	2806	224
4	124--15	5	1219-0	1		2532	2232	300
4	124--23	6	1219-0	1		2610	2320	290
4	124--24	6	0769-0	1		2287	2081	206
4	124--29	6	1867-0	1		2975	2825	150
4	124--47	6	1837-0	1		2950	2609	341
4	124--57	6	1837-0	1		2880	2584	296
4	124--94	6	0769-0	1		2470	2127	343
4	124--96	6	0769-0	1		2411	2104	307
4	124--46	6	1635-0	33				
4	124--58	6	1635-0	33				
4	124--59	6	1839-0	33				
4	124--95	6	1837-0	33				
4	124--62	6	1867-0	33		2762	2655	107
4	124--48	6	0727-0	1		2199	1959	240
4	124--49	6	1211-0	1		2447	2168	279
4	124--50	6	0727-0	1		2218	2007	211
4	124--55	6	1837-0	1		2859	2557	302
4	124--93	6	0527-0	1		2175	1976	199
4	124--97	6	0927-0	1		2782	2232	550
4	124--98	6	1115-0	1		2399	2137	262
4	125--11	6	1867-0	1		3042	2819	223
4	125--18	6	0727-0	1		2188	1957	231
4	125--23	6	1635-0	1		2993	2734	259
4	125--37	6	1867-0	1		3045	2839	206
4	125--38	6	0727-0	1		2226	2014	212
4	125--39	6	1635-0	1		2977	2777	200
4	125--67	6	1235-0	1		2895	2593	302
4	125--84	6	1119-0	1		2398	2209	189
4	124--93	6	1419-0	33		2400	2227	223
4	124--93	6	1419-0	33		2400	2227	223

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INVOICE NO.	MONTH SOLD	AND YEAR	TYPE OF SALE*	OUTLET NO.†	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
125--21	6	1835-0	33				
125--22	6	1839-9	31				
125--25	6	1839-0	1		2800	2662	138
125--28	6	1115-0	1		2313	2169	144
125--36	6	1837-0	33				
125--40	6	1867-0	33				
125--41	6	1837-0	33				
125--47	6	1235-0	33				
125--50	6	1837-0	33				
125--68	6	1637-0	33				
125--69	6	1611-0	33				
125--70	6	0727-0	2	1	2263	2059	204
125--71	6	1837-0	35				
125--89	6	1837-0	33				
125--90	6	1839-0	33				
125--93	6	1837-0	33				
125--94	6	1837-0	33				
126--01	6	0769-0	33				
126--02	6	0769-0	33				
126--03	6	1837-0	33				
126--04	6	1837-0	33				
126--05	6	0769-0	33				
125--96	6	1635-0	1	11	2170	1997	173
125--98	6	1111-0	33		3252	3121	131
126--25	6	1635-0	1		3206	3063	143
126--26	6	0769-0	33				
125--10	6	1635-0	1		2866	2733	133
125--87	6	0569-0	1		2377	2084	293
125--99	6	1635-0	1		2941	2803	138
126--06	6	1837-0	1		2832	2621	211
126--07	6	1211-0	1		2215	2215	255
126--08	6	0769-0	1		2346	1987	359
126--09	6	1837-0	1		2825	2621	204

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	126--24	6	1867-0	1		3172	2955	217
4	126--11	6	1535-0	1		2703	2541	162
4	126--51	6	1635-0	1		2922	2756	166
4	126--52	6	1837-0	1		2897	2729	168
4	126--55	6	1635-0	1		2941	2809	132
4	126--58	6	1619-0	1		2590	2454	136
4	126--59	6	1839-0	33				
4	126--63	6	0769-0	33				
4	126--64	6	1635-0	34	12			
4	126--10	6	1839-0	1		3245	2703	542
4	126--28	6	0727-0	1		2323	1977	346
4	126--29	6	0727-0	1		2226	2056	170
4	126--30	6	1837-0	1		2896	2577	319
4	126--49	6	1867-0	1		3038	2832	206
4	126--53	6	0727-0	1		2270	2085	185
4	126--48	6	1837-0	1		2959	2667	292
4	126--50	6	1839-0	1		2931	2704	227
4	126--65	6	1837-0	1		2874	2613	261
4	126--67	6	1635-0	1		2876	2656	220
4	126--27	6	1839-9	31				
4	126--47	6	1635-0	33				
4	126--56	6	1619-0	1		2514	2370	144
4	126--66	6	1215-0	1		2357	2220	137
4	126--71	6	0569-0	2	11	2150	1995	155
4	126--72	6	1839-0	2	11	2837	2666	171
4	126--73	6	1837-0	33				
4	126--75	6	1637-0	35				
4	126--86	6	1839-9	31				
4	126--79	6	1837-0	1				
4	126--82	6	1111-0	33				
4	126--83	6	1111-0	1				
4	126--84	6	1111-0	1				
4	126--85	6	1111-0	1				
4	126--86	6	1111-0	1				
4	126--87	6	1111-0	1				
4	126--88	6	1111-0	1				
4	126--89	6	1111-0	1				
4	126--90	6	1111-0	1				
4	126--91	6	1111-0	1				
4	126--92	6	1111-0	1				
4	126--93	6	1111-0	1				
4	126--94	6	1111-0	1				
4	126--95	6	1111-0	1				
4	126--96	6	1111-0	1				
4	126--97	6	1111-0	1				
4	126--98	6	1111-0	1				
4	126--99	6	1111-0	1				
4	126--100	6	1111-0	1				
4	126--101	6	1111-0	1				
4	126--102	6	1111-0	1				
4	126--103	6	1111-0	1				
4	126--104	6	1111-0	1				
4	126--105	6	1111-0	1				
4	126--106	6	1111-0	1				
4	126--107	6	1111-0	1				
4	126--108	6	1111-0	1				
4	126--109	6	1111-0	1				
4	126--110	6	1111-0	1				
4	126--111	6	1111-0	1				
4	126--112	6	1111-0	1				
4	126--113	6	1111-0	1				
4	126--114	6	1111-0	1				
4	126--115	6	1111-0	1				
4	126--116	6	1111-0	1				
4	126--117	6	1111-0	1				
4	126--118	6	1111-0	1				
4	126--119	6	1111-0	1				
4	126--120	6	1111-0	1				
4	126--121	6	1111-0	1				
4	126--122	6	1111-0	1				
4	126--123	6	1111-0	1				
4	126--124	6	1111-0	1				
4	126--125	6	1111-0	1				
4	126--126	6	1111-0	1				
4	126--127	6	1111-0	1				
4	126--128	6	1111-0	1				
4	126--129	6	1111-0	1				
4	126--130	6	1111-0	1				
4	126--131	6	1111-0	1				
4	126--132	6	1111-0	1				
4	126--133	6	1111-0	1				
4	126--134	6	1111-0	1				
4	126--135	6	1111-0	1				
4	126--136	6	1111-0	1				
4	126--137	6	1111-0	1				
4	126--138	6	1111-0	1				
4	126--139	6	1111-0	1				
4	126--140	6	1111-0	1				
4	126--141	6	1111-0	1				
4	126--142	6	1111-0	1				
4	126--143	6	1111-0	1				
4	126--144	6	1111-0	1				
4	126--145	6	1111-0	1				
4	126--146	6	1111-0	1				
4	126--147	6	1111-0	1				
4	126--148	6	1111-0	1				
4	126--149	6	1111-0	1				
4	126--150	6	1111-0	1				
4	126--151	6	1111-0	1				
4	126--152	6	1111-0	1				
4	126--153	6	1111-0	1				
4	126--154	6	1111-0	1				
4	126--155	6	1111-0	1				
4	126--156	6	1111-0	1				
4	126--157	6	1111-0	1				
4	126--158	6	1111-0	1				
4	126--159	6	1111-0	1				
4	126--160	6	1111-0	1				
4	126--161	6	1111-0	1				
4	126--162	6	1111-0	1				
4	126--163	6	1111-0	1				
4	126--164	6	1111-0	1				
4	126--165	6	1111-0	1				
4	126--166	6	1111-0	1				
4	126--167	6	1111-0	1				
4	126--168	6	1111-0	1				
4	126--169	6	1111-0	1				
4	126--170	6	1111-0	1				
4	126--171	6	1111-0	1				
4	126--172	6	1111-0	1				
4	126--173	6	1111-0	1				
4	126--174	6	1111-0	1				
4	126--175	6	1111-0	1				
4	126--176	6	1111-0	1				
4	126--177	6	1111-0	1				
4	126--178	6	1111-0	1				
4	126--179	6	1111-0	1				
4	126--180	6	1111-0	1				
4	126--181	6	1111-0	1				
4	126--182	6	1111-0	1				
4	126--183	6	1111-0	1				
4	126--184	6	1111-0	1				
4	126--185	6	1111-0	1				
4	126--186	6	1111-0	1				
4	126--187	6	1111-0	1				
4	126--188	6	1111-0	1				
4	126--189	6	1111-0	1				
4	126--190	6	1111-0	1				
4	126--191	6	1111-0	1				
4	126--192	6	1111-0	1				
4	126--193	6	1111-0	1				
4	126--194	6	1111-0	1				
4	126--195	6	1111-0	1				
4	126--196	6	1111-0	1				
4	126--197	6	1111-0	1				
4	126--198	6	1111-0	1				
4	126--199	6	1111-0	1				
4	126--200	6	1111-0	1				
4	126--201	6	1111-0	1				
4	126--202	6	1111-0	1				
4	126--203	6	1111-0	1				
4	126--204	6	1111-0	1				
4	126--205	6	1111-0	1				
4	126--206	6	1111-0	1				
4	126--207	6	1111-0	1				
4	126--208	6	1111-0	1				
4	126--209	6	1111-0	1				
4	126--210	6	1111-0	1				
4	126--211	6	1111-0	1				
4	126--212	6	1111-0	1				
4	126--213	6	1111-0	1				
4	126--214	6	1111-0	1				
4	126--215	6	1111-0	1				
4	126--216	6	1111-0	1				
4	126--217	6	1111-0	1				
4	126--218	6	1111-0	1				
4	126--219	6	1111-0	1				
4	126--220	6	1111-0	1				
4	126--221	6	1111-0	1				
4	126--222	6	1111-0	1				
4	126--223	6	1111-0	1				
4	126--224	6	1111-0	1				
4	126--225	6	1111-0	1				
4	126--226	6	1111-0	1				
4	126--227	6	1111-0	1				
4	126--228	6	1111-0	1				
4	126--229	6	1111-0	1				
4	126--230	6	1111-0	1				
4	126--231	6	1111-0	1				
4	126--232	6	1111-0	1				
4	126--233	6	1111-0	1				
4	126--234	6	1111-0	1				
4	126--235	6	1111-0	1				
4	126--236	6	1111-0	1				
4	126--237	6	1111-0	1				
4	126--238	6	1111-0	1				
4	126--239	6	1111-0	1				
4	126--240	6	1111-0	1				
4	126--241	6	1111-0	1				

DEALER NO.	INVOICE NO.	MONTH SOLD	AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
11	126--78	6	0727-0	1		2379	2070	309
11	126--54	6	1867-0	1		3171	2942	229
11	126--76	6	1837-0	1		2722	2544	178
11	127--02	6	1837-0	1		2665	2443	222
11	127--03	6	1837-0	1		2905	2651	254
11	127--09	6	0727-0	1		2132	1930	202
11	126--83	6	1111-0	1		2297	2116	181
11	126--89	6	0769-0	1		2263	2078	185
11	127--00	6	0867-0	1		3640	3369	271
11	127--20	6	1115-0	1		2599	2424	175
11	127--21	6	1839-0	1		3022	2665	357
11	127--27	6	1837-0	1		3217	2979	238
11	127--34	6	1635-0	1		2969	2740	229
11	126--98	6	1837-0	33				
11	127--25	6	0727-0	35				
11	127--26	6	1119-0	33				
11	127--28	6	1135-0	34				
11	127--31	6	1835-0	34				
11	127--43	6	0569-0	1				
11	127--45	6	1839-0	2		2118	2003	115
11	127--52	6	1111-0	33	12	3031	2802	229
11	127--53	6	1637-0	34				
11	127--23	6	0769-0	1				
11	127--24	6	0769-0	1		2304	2107	197
11	127--33	6	0727-0	1		2374	2095	279
11	127--41	6	0867-0	1		2187	1990	197
11	127--44	6	0527-0	1		3942	3657	285
11	127--46	6	1111-0	33		2091	1890	201
11	127--47	6	1619-0	33				
11	127--48	6	1619-0	33				
11	127--49	6	1619-0	33				
11	127--50	6	1619-0	33				
11	127--19	6	1867-0	1				
11						3039	2820	2198

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
10	127--51	6	1111-0	1		2942	2140	802
11	127--60	6	1837-0	1		2826	2610	216
12	127--61	6	0727-0	1		2547	2085	462
13	127--59	6	1839-0	33				
14	127--66	6	1837-0	33				
15	127--75	6	1839-0	35				
16	127--75	6	1839-0	34				
17	127--63	6	0569-0	33				
18	127--58	6	1635-0	33				
19	127--57	6	1735-0	35				
20	127--62	6	1837-0	35				
21	127--80	6	1837-0	1		2873	2703	170
22	127--42	6	1235-0	1		2922	2621	301
23	127--78	6	0727-0	1		2316	1889	427
24	127--79	6	1839-0	1		2754	2528	226
25	126--60	6	0727-0	1		2302	2093	209
26	127--76	6	1837-0	33				
27	128--07	6	1215-0	1		2834	2526	308
28	128--08	6	1835-0	1		3480	3196	284
29	127--77	6	1837-0	1		2932	2772	160
30	127--81	6	0769-0	1		2181	2063	118
31	127--84	6	1111-0	33				
32	127--87	6	1219-0	33				
33	127--94	6	1837-0	33				
34	128--20	6	1839-0	1		3504	3234	270
35	128--21	6	1839-0	1		3087	2946	141
36	128--24	6	1867-0	1		3042	2899	163
37	128--25	6	1837-0	1		2922	2685	237
38	128--47	6	1635-0	1		2999	2782	217
39	127--85	6	1611-0	34				
40	127--85	6	1212-0	33				
41	127--85	6	1212-0	33				
42	127--85	6	1212-0	33				
43	127--85	6	1212-0	33				
44	127--85	6	1212-0	33				
45	127--85	6	1212-0	33				
46	127--85	6	1212-0	33				
47	127--85	6	1212-0	33				
48	127--85	6	1212-0	33				
49	127--85	6	1212-0	33				
50	127--85	6	1212-0	33				
51	127--85	6	1212-0	33				
52	127--85	6	1212-0	33				
53	127--85	6	1212-0	33				
54	127--85	6	1212-0	33				
55	127--85	6	1212-0	33				
56	127--85	6	1212-0	33				
57	127--85	6	1212-0	33				
58	127--85	6	1212-0	33				
59	127--85	6	1212-0	33				
60	127--85	6	1212-0	33				
61	127--85	6	1212-0	33				
62	127--85	6	1212-0	33				
63	127--85	6	1212-0	33				
64	127--85	6	1212-0	33				
65	127--85	6	1212-0	33				
66	127--85	6	1212-0	33				
67	127--85	6	1212-0	33				
68	127--85	6	1212-0	33				
69	127--85	6	1212-0	33				
70	127--85	6	1212-0	33				
71	127--85	6	1212-0	33				
72	127--85	6	1212-0	33				
73	127--85	6	1212-0	33				
74	127--85	6	1212-0	33				
75	127--85	6	1212-0	33				
76	127--85	6	1212-0	33				
77	127--85	6	1212-0	33				
78	127--85	6	1212-0	33				
79	127--85	6	1212-0	33				
80	127--85	6	1212-0	33				
81	127--85	6	1212-0	33				
82	127--85	6	1212-0	33				
83	127--85	6	1212-0	33				
84	127--85	6	1212-0	33				
85	127--85	6	1212-0	33				
86	127--85	6	1212-0	33				
87	127--85	6	1212-0	33				
88	127--85	6	1212-0	33				
89	127--85	6	1212-0	33				
90	127--85	6	1212-0	33				
91	127--85	6	1212-0	33				
92	127--85	6	1212-0	33				
93	127--85	6	1212-0	33				
94	127--85	6	1212-0	33				
95	127--85	6	1212-0	33				
96	127--85	6	1212-0	33				
97	127--85	6	1212-0	33				
98	127--85	6	1212-0	33				
99	127--85	6	1212-0	33				
100	127--85	6	1212-0	33				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
14	128--19	6	0569-0	1		2060	1908	152
14	128--26	6	0769-0	1		2047	1945	102
14	128--09	6	1839-9	31				
14	128--10	6	1211-0	1		2497	2284	213
14	128--11	6	1837-0	1		2945	2756	189
14	128--44	6	0769-0	1		222	2021	200
14	128--13	6	1645-0	1		2958	2830	128
14	128--14	6	0867-0	1		3788	3658	130
14	128--15	6	1635-0	33				
14	128--53	6	1819-9	31				
14	128--56	6	1619-0	33				
14	128--58	6	0727-0	1		2181	2049	132
14	128--59	6	1839-0	35				
14	128--60	6	1837-0	33				
14	128--12	6	0769-0	32				
14	128--50	6	1115-0	1		2353	2225	128
14	128--52	6	1537-0	1		2537	2427	110
14	128--28	6	0927-0	1		2670	2187	483
14	128--54	6	0927-0	1		2857	2220	637
14	128--55	6	0727-0	1		2031	1843	188
14	128--83	6	1511-0	1		2490	2276	214
14	129--12	6	1111-0	35				
14	128--99	6	1737-0	1		2487	2362	125
14	128--97	6	1611-0	33				
14	128--93	6	1837-0	33				
14	128--46	6	0927-0	1				
14	128--87	6	0769-0	1		2568	2168	400
14	128--98	6	1511-0	1		2375	2086	287
14	129--00	6	0927-0	1		2497	2240	257
14	129--29	6	0927-0	1	12	2602	2201	401
14	129--28	6	1837-0	34				
14	128--95	6	0927-0	33				
14	128--96	6	0927-0	1		2447	2185	262
14		6	0727-0	1		2212	2049	163

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
44	129--01	6	1635-0	1		2918	2677	241
44	129--21	6	0927-0	1		2498	2187	311
44	129--22	6	1511-0	1		2584	2215	369
44	129--23	6	1837-0	1		3161	2926	235
44	129--24	6	0727-0	1		2291	1941	350
44	129--25	6	0927-0	1		2687	2187	500
44	129--32	6	0769-0	33				
44	129--34	6	0769-0	33				
44	129--41	6	1837-0	1		2786	2617	169
44	129--54	6	1839-0	1		2873	2710	163
44	129--57	6	1839-0	33				
44	129--73	6	0527-0	34	12			
44	129--74	6	1211-0	34	12			
44	129--76	6	1645-0	33				
44	129--77	6	1211-0	1		2225	2072	153
44	129--30	6	0927-0	1		2426	2131	295
44	129--55	6	1215-0	1		2711	2575	136
44	129--71	6	0927-0	1		2516	2198	318
44	129--37	6	1837-0	1		2690	2536	154
44	129--50	6	1119-0	1		2318	2198	120
44	129--52	6	1839-0	33				
44	129--56	6	1737-0	35				
44	129--31	6	1839-0	1		2977	2674	303
44	129--48	6	0727-0	1		2214	1993	221
44	129--61	6	1837-0	1		2923	2717	206
44	129--72	6	1211-0	1		2199	2065	134
44	129--75	6	1835-0	1		3177	2975	202
44	129--96	6	0927-0	1		2375	2075	300
44	129--33	6	1635-0	33				
44	129--47	6	1867-0	33		2944	2861	103
44	129--49	6	1867-0	33				
44	129--51	6	1867-0	33				

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
44	130--03	6	0727-0	1		2012	1914	98
44	129--27	6	1235-0	1		2633	2460	173
44	129--36	6	0927-0	1		2627	2167	460
44	129--39	6	0867-0	1		3773	3446	327
44	129--43	6	1119-0	1		2451	2202	249
44	129--46	6	1645-0	1		3109	2888	221
44	129--58	6	1837-0	1		2748	2501	247
44	129--60	6	1635-0	1		2951	2762	189
44	129--62	6	1839-0	1		2857	2703	154
44	129--64	6	1837-0	1		3081	2775	306
44	130--22	7	1235-0	34	12			
44	130--23	7	1837-0	34	12			
44	130--24	7	1635-0	34	12			
44	130--26	7	1819-0	34	12			
44	130--27	7	1111-0	33				
44	130--45	7	0769-0	1				
44	130--47	7	0769-0	2	1	2257	2118	139
44	130--50	7	1839-0	1		2293	2066	227
44	130--51	7	0867-0	1		2818	2646	172
44	130--56	7	1115-0	34	12			
44	130--19	7	0927-0	1		2330	2165	165
44	130--20	7	1839-0	1		2569	2185	384
44	130--21	7	0727-0	1		2901	2614	287
44	130--46	7	0769-0	1		2277	2064	213
44	130--48	7	0727-0	1		2263	2072	191
44	130--49	7	1837-0	1		2252	2049	203
44	130--55	7	1867-0	1		2890	2555	335
44	130--57	7	1819-9	31		3145	2830	315
44	130--58	7	1839-0	33				
44	130--60	7	1867-9	31				
44	130--69	7	1839-0	1				
44	130--71	7	1837-0	1				
44	130--73	7	1837-0	1				
44						2800	2638	162
44						2781	2673	108
44						2688	2591	97

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
	130--79	7	1837-0	1		2744	2579	165
	130--59	7	1837-0	1		2750	2477	273
	130--77	7	1211-0	1		2613	2325	288
	130--78	7	1935-0	1		3211	2982	229
	130--87	7	1111-0	33				
	130--88	7	1135-0	33				
	130--90	7	1255-0	35				
	130--91	7	1837-0	2	11	2491	2322	169
	130--93	7	1111-C	33				
	130--86	7	1837-0	1		2723	2561	162
	130--89	7	0569-0	1		2282	1971	311
	130--92	7	1837-0	1		2902	2620	282
	131--06	7	1837-0	1		2857	2639	218
	131--08	7	0927-0	1		2510	2185	325
	131--11	7	0927-0	1		2576	2205	371
	130--94	7	1839-0	33				
	130--95	7	1839-0	33				
	130--96	7	1839-0	33				
	130--97	7	1839-0	33				
	131--01	7	1867-0	1				
	131--02	7	1619-0	34	12	2969	2852	117
	131--03	7	0727-0	33				
	131--05	7	1837-0	34				
	131--07	7	0727-0	1	12			
	131--09	7	0867-0	1				
	131--15	7	0527-0	1		2074	1949	125
	131--21	7	0727-0	1		3391	3242	149
	131--23	7	0927-0	1		2124	1940	184
	131--34	7	0927-0	1		2308	1907	401
	131--04	7	1635-0	33		2599	2236	363
	131--12	7	1837-0	33		2655	2224	431

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	131--17	7	0727-0	33				
4	131--18	7	1837-0	34				
4	131--19	7	1619-0	33	12			
4	131--22	7	1867-0	1				
4	131--10	7	0769-0	1		2963	2818	145
4	131--36	7	1839-0	2		2220	2093	127
4	131--37	7	1111-0	33	1	2932	2750	182
4	131--39	7	1235-0	33				
4	131--40	7	1837-0	1				
4	131--42	7	1837-0	1				
4	131--56	7	1635-0	33		2786	2689	97
4	131--35	7	0927-0	1		2791	2637	154
4	131--41	7	1837-0	1				
4	131--55	7	1839-0	1		2481	2111	370
4	131--58	7	0727-0	1		2747	2550	197
4	131--69	7	1837-0	1		2800	2569	231
4	131--74	7	1837-0	1		2123	1808	315
4	131--57	7	1837-0	1		2609	2421	188
4	131--70	7	1211-0	1		2942	2721	221
4	131--71	7	1837-0	1		2802	2708	94
4	131--72	7	1635-0	1		2318	2231	87
4	131--77	7	1837-0	1		2815	2658	157
4	131--95	7	1619-0	33		2903	2754	149
4	131--44	7	1111-0	1		2612	2441	171
4	131--78	7	1837-0	33				
4	131--79	7	1867-0	1		2262	2003	259
4	131--80	7	1837-0	1				
4	131--81	7	1837-0	1		3160	2806	354
4	131--90	7	1635-0	1		2825	2577	248
4	131--94	7	0769-0	1		3290	3048	242
4	131--96	7	1839-0	1		2867	2651	216
4	131--97	7	0727-0	1		2191	2023	168
4	132--03	7	1837-0	1		3014	2763	251
4						2389	2024	365
4						3081	2749	332

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DEALER - COURTESY

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	131--98	7	0727-0	33				
4	131--99	7	0727-0	33				
4	132--00	7	1839-0	34	12			
4	132--01	7	1837-0	1		2642	2533	109
4	132--02	7	1835-0	34	12			
4	132--19	7	1611-0	1		2535	2337	198
4	132--20	7	0727-0	1		2318	1951	367
4	132--22	7	0569-0	1		2365	2045	320
4	132--26	7	1635-0	1		3296	2757	539
4	131--92	7	1645-0	33				
4	132--23	7	0727-0	1		2081	1920	161
4	132--28	7	1839-0	33				
4	132--37	7	1115-0	33				
4	132--40	7	0769-0	2	1	2299	2103	196
4	132--18	7	1867-0	1		3375	3119	256
4	132--21	7	0727-0	1		2102	1885	217
4	132--25	7	1837-0	1		2800	2548	252
4	132--58	7	1111-0	1		2558	2352	206
4	132--34	7	1635-0	1		3294	3008	286
4	132--35	7	0927-0	1		2530	2057	473
4	132--36	7	1837-0	1		2994	2745	249
4	132--64	7	0727-0	1		2625	2046	579
4	132--65	7	1837-0	1		2918	2704	214
4	132--67	7	0927-0	1		2482	2168	314
4	132--68	7	1837-0	1		3451	2685	766
4	132--69	7	1211-0	1		2846	2215	631
4	132--70	7	1837-0	1		2747	2477	270
4	132--72	7	0927-0	1		2749	2184	565
4	132--32	7	1837-0	32				
4	132--39	7	1839-0	35				
4	132--43	7	1111-0	35				
4	132--45	7	1111-0	35				

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
A	132--71	7	0769-0	1		2222	2084	138
A	132--79	7	1635-0	2	11	3153	2949	204
A	132--80	7	1635-0	33				
A	132--81	7	1837-0	2				
A	132--86	7	1211-0	34	12	3472	3253	219
A	132--77	7	1635-0	1	12			
A	132--85	7	0727-0	1		3030	2718	312
A	132--93	7	1837-0	1		2300	2049	251
A	132--96	7	1837-0	1		2656	2485	171
A	133--17	7	1839-0	1		2876	2658	218
A	133--23	7	1839-0	33				
A	133--24	7	1211-0	33				
A	133--25	7	1211-0	33				
A	133--30	7	1211-0	33				
A	133--31	7	1635-0	35				
A	133--32	7	1837-0	34	12			
A	133--33	7	0569-0	34	12			
A	133--37	7	0727-0	34	12			
A	132--75	7	0769-0	1		2226	2085	141
A	132--92	7	0569-0	1		2334	2024	310
A	132--95	7	0769-0	1		2451	2131	320
A	133--19	7	0927-0	1		2750	2209	541
A	133--21	7	1235-0	1		3122	2935	187
A	133--22	7	1839-0	1		3366	3107	259
A	132--76	7	0727-0	1		2221	2035	186
A	133--28	7	1211-0	33				
A	133--41	7	1839-0	33				
A	133--46	7	1635-0	1				
A	133--47	7	1619-0	33		2794	2670	124
A	132--91	7	0927-0	2				
A	133--15	7	1837-0	1	1	2400	2195	205
A	133--35	7	1867-0	1		2958	2477	481
A	133--35	7	0727-0	1		3018	2842	176
A	133--36	7	0727-0	1		2179	1919	260
A		7	0727-0	1		2363	2034	329

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	133--42	7	1611-0	1		2907	2285	622
4	133--53	8	1837-0	1		2681	2537	144
4	133--56	8	0727-0	1		2078	1926	152
4	133--70	8	1135-0	1		2393	2267	126
4	133--72	8	1635-0	35				
4	133--73	8	1111-0	1		2296	2189	107
4	133--74	8	0867-0	1		3500	3334	166
4	133--49	8	1839-0	1		3284	3059	225
4	133--50	8	0927-0	1		2618	2172	446
4	133--51	8	1645-0	1		3092	2815	277
4	133--54	8	1111-0	1		2379	2161	218
4	133--55	8	0769-0	1		2124	1952	172
4	133--66	8	1837-0	1		3346	2567	779
4	133--77	8	0927-0	1		2572	2171	401
4	133--82	8	1219-0	33				
4	133--83	8	1837-0	35				
4	133--91	8	1835-0	33				
4	134--12	8	1837-0	34				
4	134--13	8	0727-0	1	12	2119	1953	166
4	133--75	8	1619-0	1		2595	2406	189
4	133--76	8	0727-0	1		2315	2074	241
4	133--84	8	0727-0	1		2226	2049	177
4	133--85	8	1837-0	1		3417	3211	206
4	133--86	8	1111-0	1		2284	2106	178
4	133--89	8	0769-0	1		2470	2109	361
4	133--90	8	1115-0	1		2353	2167	186
4	134--25	8	1837-0	33				
4	134--28	8	1835-0	33				
4	134--30	8	1235-0	2	1	2828	2618	210
4	134--34	8	0727-0	1		2187	2041	146
4	134--35	8	1837-0	1		2625	2482	343

INVOICE NO.	MONTH SALE	AND YEAR	TYPE OF SALE*	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
134--39	8	1611-0	33		2109	2001	108
134--42	8	1635-0	33		3036	2823	213
134--44	8	0727-0	1	1	2257	2111	146
134--46	8	1645-0	2		2420	2341	79
134--53	8	0769-0	1				
134--58	8	1119-0	1				
134--60	8	1135-0	33				
134--43	8	0769-0	1		2530	2068	462
134--47	8	1737-0	1		2624	2194	430
134--51	8	0927-0	1		2530	2063	467
134--56	8	1819-0	1		2761	2528	233
134--57	8	0727-0	1		2304	2041	263
134--59	8	0927-0	1		2565	2073	492
134--61	8	1839-0	1		3429	3105	324
134--64	8	1839-0	1		2905	2763	142
134--68	8	1211-0	33				
134--77	8	1635-0	33				
134--78	8	1839-0	33				
134--91	8	0727-0	33				
134--72	8	1519-0	33				
134--73	8	0727-0	1		2622	2282	340
134--74	8	0727-0	1		2094	1882	212
134--75	8	1519-0	1		2578	2372	206
134--81	8	1111-0	1		2072	1877	195
134--89	8	1839-0	1		2866	2620	246
134--90	8	1837-0	1		3404	3206	198
134--92	8	1839-0	1		2778	2475	303
134--93	8	1111-0	1		2963	2799	164
134--94	8	1111-0	1		2413	2156	257
134--95	8	0769-0	1		2530	2090	440
134--97	8	1837-0	1		2725	2533	192
134--76	8	1111-0	1		2535	2140	395
134--23	8	1235-0	1		2633	2507	126
	8	1837-0	1		3234	2698	536

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	134--71	8	1819-0	1		2727	2561	166
4	134--79	8	1837-0	1		2887	2630	257
4	135--11	8	1839-0	1		2739	2598	141
4	135--16	8	0927-0	1		2503	2035	468
4	135--18	8	1635-0	1		2909	2777	132
4	135--23	8	1835-0	1		3266	2916	350
4	134--65	8	1839-0	33				
4	135--13	8	1839-0	33				
4	135--29	8	0769-0	35				
4	135--30	8	1837-0	1		2729	2600	129
4	134--84	8	1819-0	1		3153	2974	179
4	135--12	8	0927-0	1		2370	2073	297
4	135--15	8	1837-0	1		2728	2586	142
4	135--24	8	0727-0	1		2603	2083	520
4	135--31	8	1819-0	1		3096	2922	174
4	135--32	8	1837-0	1		2726	2516	210
4	135--35	8	0569-0	1		2308	1992	316
4	135--40	8	1611-0	33				
4	135--53	8	0527-0	2	1	2167	1942	225
4	135--54	8	0727-0	2	1	2214	2026	188
4	135--55	8	1867-0	33				
4	135--39	8	1837-0	1		2905	2450	455
4	135--42	8	1837-0	1		2919	2795	124
4	135--43	8	0867-0	1		4199	3910	289
4	135--44	8	1835-0	1		3273	3130	143
4	135--45	8	1115-0	1		2436	2234	202
4	135--48	8	0727-0	1		2367	2017	350
4	135--47	8	1867-0	35				
4	135--50	8	0769-0	1		2126	2039	87
4	135--52	8	0769-0	1				
4	135--53	8	0769-0	1				
4	135--54	8	0769-0	1				
4	135--55	8	0769-0	1				
4	135--56	8	0769-0	1				
4	135--57	8	0769-0	1				
4	135--58	8	0769-0	1				
4	135--59	8	0769-0	1				
4	135--60	8	0769-0	1				
4	135--61	8	0769-0	1				
4	135--62	8	0769-0	1				
4	135--63	8	0769-0	1				
4	135--64	8	0769-0	1				
4	135--65	8	0769-0	1				
4	135--66	8	0769-0	1				
4	135--67	8	0769-0	1				
4	135--68	8	0769-0	1				
4	135--69	8	0769-0	1				
4	135--70	8	0769-0	1				
4	135--71	8	0769-0	1				
4	135--72	8	0769-0	1				
4	135--73	8	0769-0	1				
4	135--74	8	0769-0	1				
4	135--75	8	0769-0	1				
4	135--76	8	0769-0	1				
4	135--77	8	0769-0	1				
4	135--78	8	0769-0	1				
4	135--79	8	0769-0	1				
4	135--80	8	0769-0	1				
4	135--81	8	0769-0	1				
4	135--82	8	0769-0	1				
4	135--83	8	0769-0	1				
4	135--84	8	0769-0	1				
4	135--85	8	0769-0	1				
4	135--86	8	0769-0	1				
4	135--87	8	0769-0	1				
4	135--88	8	0769-0	1				
4	135--89	8	0769-0	1				
4	135--90	8	0769-0	1				
4	135--91	8	0769-0	1				
4	135--92	8	0769-0	1				
4	135--93	8	0769-0	1				
4	135--94	8	0769-0	1				
4	135--95	8	0769-0	1				
4	135--96	8	0769-0	1				
4	135--97	8	0769-0	1				
4	135--98	8	0769-0	1				
4	135--99	8	0769-0	1				
4	135--100	8	0769-0	1				

INVOICE NO.	MONTH SOLD	YEAR	TYPE OF SALE	OUTLET NO.	PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
135--60	8	1111-0	1		2115	1962	153
135--63	8	1111-0	1		2331	2137	194
135--66	8	1837-0	1		2890	2721	169
135--76	8	0727-0	1		2450	1993	457
135--77	8	1215-0	1		2645	2435	210
135--57	8	1645-0	33				
135--83	8	1837-0	1		3030	2882	148
135--58	8	1837-0	1		3234	2744	490
135--73	8	0927-0	1		2776	2214	562
135--62	8	1111-0	1		2002	1916	86
135--78	8	0769-0	34	12			
135--61	8	1111-0	1		2328	2112	216
135--64	8	1837-0	1		2733	2565	168
135--65	8	1837-0	1		2913	2588	325
135--82	8	0727-0	1		2246	2058	188
135--85	8	1839-0	1		2828	2636	192
135--86	8	1839-0	1		2812	2556	256
136--00	8	0727-0	1		2150	1993	157
136--01	8	0927-0	1		2608	2187	421
136--07	8	0727-0	1		2269	2026	243
136--08	8	1837-0	1		3000	2588	412
136--09	8	1511-0	1		2100	2015	85
136--10	8	0569-0	33				
136--12	8	1619-0	1		2574	2385	189
136--18	8	0769-0	1		2197	2108	89
136--19	8	1839-0	34	12			
136--22	8	0927-0	1		2685	2192	493
135--72	8	0727-0	1		2054	1880	174
135--80	8	0927-0	33				
135--87	8	0769-0	1		2189	2054	135
136--21	8	0769-0	1		2296	2111	185
136--30	8	0727-0	1		2385	2082	303
136--25	8	1837-0	1		2811	2559	252

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DEALER
NO.

INVOICE NO.

MONTH
SOLDMODEL NO.
AND
YEARTYPE OF
SALE*OUTLET
NO.*NET
SELLING
PRICE TO
CUSTOMERDEALER
INVOICE

MARKUP

1100

4	136--31	8	1837-0	2	1	2739	2530	209
4	136--17	8	1635-0	33		2649	2494	155
4	136--26	8	1611-0	1		3867	3605	262
4	136--29	8	0867-0	1		2100	2015	85
4	136--32	8	1511-0	1		2070	1943	127
4	136--33	8	0727-0	1		2269	2141	128
4	136--39	8	1119-0	1				
4	136--40	8	1111-0	34	12	2204	1952	252
4	136--41	8	0727-0	1		2110	1948	162
4	136--42	8	0727-0	1		2235	2045	190
4	136--44	8	0769-0	2	1			
4	136--45	8	1867-0	33		2828	2552	276
4	136--47	8	1837-0	1		2280	2077	203
4	136--48	8	1511-0	1		2295	1991	304
4	136--49	8	0769-0	1				
4	136--70	8	0569-0	33		2800	2701	99
4	136--71	8	1837-0	1		2931	2774	157
4	136--92	8	1635-0	2	1			
4	136--96	8	1211-0	33				
4	137--08	8	1837-0	35		2328	2020	308
4	136--20	8	0727-0	1		2770	2213	557
4	136--38	8	0927-0	1		2750	2231	519
4	136--69	8	0927-0	1		2817	2477	340
4	136--72	8	1837-0	1		2228	2054	174
4	136--73	8	0769-0	1		2131	1929	202
4	136--75	8	0727-0	1		3753	3487	266
4	136--76	8	0867-0	1		2405	2088	317
4	136--79	8	0769-0	1		2775	2622	153
4	136--82	8	1837-0	1		2202	2092	110
4	136--83	8	0769-0	1		2202	2092	110
4	136--84	8	0769-0	1		2202	2092	110
4	136--85	8	0769-0	1		2202	2092	110
4	136--86	8	0769-0	1		2202	2092	110
4	136--87	8	0769-0	1		2202	2092	110
4	136--88	8	0769-0	1		2202	2092	110
4	136--89	8	0769-0	1		2202	2092	110
4	136--90	8	0769-0	1		2202	2092	110
4	136--91	8	0769-0	1		2202	2092	110
4	136--92	8	0769-0	1		2202	2092	110
4	136--93	8	0769-0	1		2202	2092	110
4	136--94	8	0769-0	1		2202	2092	110
4	136--95	8	0769-0	1		2202	2092	110
4	136--96	8	0769-0	1		2202	2092	110
4	136--97	8	0769-0	1		2202	2092	110
4	136--98	8	0769-0	1		2202	2092	110
4	136--99	8	0769-0	1		2202	2092	110
4	136--100	8	0769-0	1		2202	2092	110

DEALER

INVOICE NO.

MONTH

MODEL NO.

SELLING

DEALER NO.	INVOICE NO.	MONTH SOLD	YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	137--15	8	1619-0	1		2575	2396	179
4	137--26	9	0867-0	1		3762	3380	382
4	137--27	9	1111-0	1		2346	2143	203
4	137--33	9	0727-0	1		2118	1935	183
4	137--37	9	1837-0	1		2755	2547	208
4	137--39	9	0769-0	1		2202	1999	203
4	137--40	9	1839-0	1		3004	2663	341
4	137--42	9	1837-0	1		2955	2580	375
4	137--43	9	1111-0	1		2214	1953	261
4	137--44	9	0867-0	1		3598	3403	195
4	137--45	9	1839-0	1		2949	2724	225
4	137--46	9	1837-0	1		3026	2706	320
4	137--47	9	1837-0	1		3041	2828	213
4	137--49	9	1837-0	1		2959	2721	238
4	137--55	9	1635-0	1		3303	3136	167
4	137--56	9	1837-0	1		2865	2605	260
4	137--59	9	1645-0	1		3099	2901	198
4	137--60	9	0769-0	1		2152	1995	157
4	137--61	9	1511-0	1		2400	2238	162
4	137--62	9	0927-0	1		2665	2223	442
4	137--63	9	1837-0	1		2878	2569	309
4	137--64	9	1511-0	1		2437	2127	310
4	137--77	9	0569-0	1		2228	2015	213
4	137--79	9	0727-0	1		2235	1962	273
4	137--82	9	1867-0	1		3266	3100	166
4	137--84	9	0727-0	1		2325	1991	334
4	137--28	9	1637-0	34	12			
4	137--29	9	0769-0	1		2220	2092	128
4	137--30	9	1867-0	33				
4	137--31	9	1837-0	33				
4	137--32	9	0727-0	33				
4	137--38	9	1867-0	1				
4	137--68	9	1839-0	2	1	3060	2942	118
						3115	2851	264

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	137--81	9	1837-0 0569-0	1		2794	2658	136
4	137--83	9	0569-0	34	12			
4	138--08	9	1519-0			2202	2076	126
4	137--85	9	0569-0	1		2193	1939	254
4	137--97	9	0769-0	1		2190	2028	162
4	137--99	9	1635-0	1		3047	2803	244
4	138--13	9	0727-0	1		2322	2045	277
4	138--14	9	1111-0	1		2141	1928	213
4	138--15	9	0927-0	1		2525	2068	457
4	138--16	9	1837-0	1		2908	2710	198
4	138--17	9	1867-0	1		3181	2953	228
4	138--19	9	0727-0	1		2207	2031	176
4	138--20	9	1837-0	1		2717	2553	164
4	138--21	9	1837-0	1		2959	2704	255
4	138--22	9	0727-0	1		2210	1874	336
4	138--23	9	1837-0	1		2708	2395	313
4	138--24	9	0727-0	1		2157	1824	333
4	138--25	9	1839-0	1		2804	2632	172
4	138--07	9	1839-0	35				
4	138--36	9	0769-0			2143	1980	163
4	138--37	9	1135-0	1		2903	2413	490
4	138--38	9	0927-0	1		2700	2216	484
4	138--39	9	1837-0	1		2896	2646	250
4	138--51	9	1837-0	1		2806	2609	197
4	138--54	9	1837-0	1		2774	2458	316
4	138--56	9	1121-0	2	1	2101	1900	201
4	138--57	9	0527-0	1		2185	2044	141
4	138--40	9	0927-0	1		2715	2230	485
4	138--58	9	1835-0	1		3114	2942	172
4	138--59	9	1837-0	1		2741	2562	179
4	138--60	9	1837-0	1		2947	2684	181

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	138--94	9	1519-0	1		2437	2155	282
4	139--24	9	1839-0	1		2807	2651	156
4	139--40	9	1839-0	1		3332	2657	675
4	139--41	9	0769-0	1		2256	2047	209
4	139--42	9	1235-0	1		2674	2511	163
4	139--43	9	1111-0	1		2083	1904	179
4	139--48	9	1839-0	1		3022	2744	278
4	139--52	9	1839-0	1		3092	2957	135
4	139--54	9	1619-0	1		2689	2484	205
4	139--59	9	0527-0	1		2322	1948	374
4	139--81	9	1837-0	1		2620	2477	143
4	139--63	9	1835-0	1		3047	2941	106
4	139--49	9	0727-0	1		2160	2008	152
4	139--64	9	1837-0	1		3058	2814	244
4	139--66	9	0927-0	1		2632	2246	386
4	139--67	9	1635-0	1		3268	3060	208
4	139--68	9	1519-0	1		2578	2362	216
4	139--69	9	1111-0	1		2350	2157	193
4	139--71	9	1111-0	1		2221	2099	122
4	139--72	9	1839-0	1		2843	2629	214
4	139--73	9	0769-0	1		2246	2094	152
4	139--74	9	0769-0	1		2271	2062	209
4	139--75	9	1837-0	1		3042	2549	493
4	139--78	9	1619-0	1		2925	2483	442
4	139--80	9	1839-0	1		3068	2665	403
4	139--82	9	0769-0	1		3166	2435	412
4	139--84	9	1635-0	1		2733	2943	223
4	139--87	9	1619-0	1		2174	2047	109
4	139--85	9	1211-0	1		2500	2420	142
4	140--08	9	0769-0	1		2500	2420	142
4	140--11	9	0769-0	1		2500	2420	142
4	140--12	9	0769-0	1		2500	2420	142
4	140--13	9	0769-0	1		2500	2420	142
4	140--14	9	0769-0	1		2500	2420	142
4	140--15	9	0769-0	1		2500	2420	142
4	140--16	9	0769-0	1		2500	2420	142
4	140--17	9	0769-0	1		2500	2420	142
4	140--18	9	0769-0	1		2500	2420	142
4	140--19	9	0769-0	1		2500	2420	142
4	140--20	9	0769-0	1		2500	2420	142
4	140--21	9	0769-0	1		2500	2420	142
4	140--22	9	0769-0	1		2500	2420	142
4	140--23	9	0769-0	1		2500	2420	142
4	140--24	9	0769-0	1		2500	2420	142
4	140--25	9	0769-0	1		2500	2420	142
4	140--26	9	0769-0	1		2500	2420	142
4	140--27	9	0769-0	1		2500	2420	142
4	140--28	9	0769-0	1		2500	2420	142
4	140--29	9	0769-0	1		2500	2420	142
4	140--30	9	0769-0	1		2500	2420	142
4	140--31	9	0769-0	1		2500	2420	142
4	140--32	9	0769-0	1		2500	2420	142
4	140--33	9	0769-0	1		2500	2420	142
4	140--34	9	0769-0	1		2500	2420	142
4	140--35	9	0769-0	1		2500	2420	142
4	140--36	9	0769-0	1		2500	2420	142
4	140--37	9	0769-0	1		2500	2420	142
4	140--38	9	0769-0	1		2500	2420	142
4	140--39	9	0769-0	1		2500	2420	142
4	140--40	9	0769-0	1		2500	2420	142
4	140--41	9	0769-0	1		2500	2420	142
4	140--42	9	0769-0	1		2500	2420	142
4	140--43	9	0769-0	1		2500	2420	142
4	140--44	9	0769-0	1		2500	2420	142
4	140--45	9	0769-0	1		2500	2420	142
4	140--46	9	0769-0	1		2500	2420	142
4	140--47	9	0769-0	1		2500	2420	142
4	140--48	9	0769-0	1		2500	2420	142
4	140--49	9	0769-0	1		2500	2420	142
4	140--50	9	0769-0	1		2500	2420	142
4	140--51	9	0769-0	1		2500	2420	142
4	140--52	9	0769-0	1		2500	2420	142
4	140--53	9	0769-0	1		2500	2420	142
4	140--54	9	0769-0	1		2500	2420	142
4	140--55	9	0769-0	1		2500	2420	142
4	140--56	9	0769-0	1		2500	2420	142
4	140--57	9	0769-0	1		2500	2420	142
4	140--58	9	0769-0	1		2500	2420	142
4	140--59	9	0769-0	1		2500	2420	142
4	140--60	9	0769-0	1		2500	2420	142
4	140--61	9	0769-0	1		2500	2420	142
4	140--62	9	0769-0	1		2500	2420	142
4	140--63	9	0769-0	1		2500	2420	142
4	140--64	9	0769-0	1		2500	2420	142
4	140--65	9	0769-0	1		2500	2420	142
4	140--66	9	0769-0	1		2500	2420	142
4	140--67	9	0769-0	1		2500	2420	142
4	140--68	9	0769-0	1		2500	2420	142
4	140--69	9	0769-0	1		2500	2420	142
4	140--70	9	0769-0	1		2500	2420	142
4	140--71	9	0769-0	1		2500	2420	142
4	140--72	9	0769-0	1		2500	2420	142
4	140--73	9	0769-0	1		2500	2420	142
4	140--74	9	0769-0	1		2500	2420	142
4	140--75	9	0769-0	1		2500	2420	142
4	140--76	9	0769-0	1		2500	2420	142
4	140--77	9	0769-0	1		2500	2420	142
4	140--78	9	0769-0	1		2500	2420	142
4	140--79	9	0769-0	1		2500	2420	142
4	140--80	9	0769-0	1		2500	2420	142
4	140--81	9	0769-0	1		2500	2420	142
4	140--82	9	0769-0	1		2500	2420	142
4	140--83	9	0769-0	1		2500	2420	142
4	140--84	9	0769-0	1		2500	2420	142
4	140--85	9	0769-0	1		2500	2420	142
4	140--86	9	0769-0	1		2500	2420	142
4	140--87	9	0769-0	1		2500	2420	142
4	140--88	9	0769-0	1		2500	2420	142
4	140--89	9	0769-0	1		2500	2420	142
4	140--90	9	0769-0	1		2500	2420	142
4	140--91	9	0769-0	1		2500	2420	142
4	140--92	9	0769-0	1		2500	2420	142
4	140--93	9	0769-0	1		2500	2420	142
4	140--94	9	0769-0	1		2500	2420	142
4	140--95	9	0769-0	1		2500	2420	142
4	140--96	9	0769-0	1		2500	2420	142
4	140--97	9	0769-0	1		2500	2420	142
4	140--98	9	0769-0	1		2500	2420	142
4	140--99	9	0769-0	1		2500	2420	142
4	140--100	9	0769-0	1		2500	2420	142

MODEL NO.

DEALER

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	140--07	9	1211-0	1		2492	2276	216
4	140--09	9	1111-0	1		2393	2180	213
4	140--10	9	1611-0	1		2661	2352	309
4	140--11	9	1511-0	1		2424	2178	246
4	140--25	9	1635-0	1		2933	2705	228
4	140--47	9	1837-0	1		2781	2654	127
4	140--27	9	0727-0	1		2486	2131	355
4	140--28	9	1235-0	33				
4	140--35	9	1837-0	1		2792	2589	203
4	140--44	9	0867-0	1		3584	3220	364
4	140--46	9	1611-0	1		2475	2309	166
4	140--83	9	1837-0	1		2765	2664	101
4	140--84	9	1635-0	1		2850	2730	120
4	140--79	9	1111-0	1		2087	1985	102
4	140--80	9	1835-0	1		2940	2717	223
4	140--81	9	1835-0	1		3445	3221	224
4	140--82	9	0769-0	1		2388	2166	222
4	141--11	10	0769-0	1		2183	2100	83
4	141--16	10	0769-0	1		2262	2128	134
4	140--85	10	1635-0	1		2878	2708	170
4	140--88	10	1837-0	1		2874	2549	325
4	140--89	10	0769-0	1		2350	2065	285
4	140--91	10	0569-0	1		2300	2015	285
4	141--02	10	1837-0	1		2714	2518	196
4	141--09	10	1135-0	1		2653	2476	177
4	141--12	10	1837-0	1		2776	2658	118
4	141--15	10	1867-0	1		3108	2816	292
4	141--19	10	1215-0	1		2642	2465	177
4	141--20	10	1837-0	1		2785	2594	191
4	141--21	10	1511-0	1		2555	2379	176
4	141--22	10	1839-0	1		2975	2702	273
4	141--26	10	1635-0	1		2916	2731	185
4	141--31	10	1837-0	1		2845	2730	115

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	141--13	10	1635-0	1		2930	2766	214
4	141--29	10	0927-1	1		2721	2184	537
4	141--34	10	1837-0	1		2883	2586	297
4	141--35	10	0927-1	1		2686	2183	503
4	141--38	10	0727-1	1		2547	2094	453
4	141--47	10	0527-1	1		2292	1938	354
4	141--81	10	0569-0	1		2283	2004	279
4	141--82	10	1837-0	31				
4	141--33	10	1837-0	31				
4	141--45	10	1111-0	31				
4	141--46	10	0569-0	31				
4	141--77	10	1611-1	2	1	2633	2392	241
4	141--78	10	1837-1	34	12			
4	141--79	10	0769-1	33				
4	141--89	10	1635-1	35				
4	141--97	10	1635-1	35				
4	142--02	10	1669-1	33				
4	142--03	10	1669-1	33				
4	142--08	10	1837-0	31				
4	142--11	10	0727-1	33				
4	142--12	10	1111-1	33				
4	142--17	10	0769-1	1		2214	2082	132
4	142--20	10	1837-1	34	12			
4	142--21	10	0927-1	34	12			
4	142--22	10	1839-1	33				
4	142--23	10	1839-1	33				
4	142--25	10	0769-0	31				
4	142--31	10	1839-0	31				
4	142--35	10	0867-1	33				
4	142--41	10	0867-0	31				
4	141--23	10	1839-0	1				
4	141--24	10	0927-1	1				
4	141--25	10	1669-1	1				
4	141--26	10	1669-1	1				
4	141--27	10	1669-1	1				
4	141--28	10	1669-1	1				
4	141--29	10	1669-1	1				
4	141--30	10	1669-1	1				
4	141--31	10	1669-1	1				
4	141--32	10	1669-1	1				
4	141--33	10	1669-1	1				
4	141--34	10	1669-1	1				
4	141--35	10	1669-1	1				
4	141--36	10	1669-1	1				
4	141--37	10	1669-1	1				
4	141--38	10	1669-1	1				
4	141--39	10	1669-1	1				
4	141--40	10	1669-1	1				
4	141--41	10	1669-1	1				
4	141--42	10	1669-1	1				
4	141--43	10	1669-1	1				
4	141--44	10	1669-1	1				
4	141--45	10	1669-1	1				
4	141--46	10	1669-1	1				
4	141--47	10	1669-1	1				
4	141--48	10	1669-1	1				
4	141--49	10	1669-1	1				
4	141--50	10	1669-1	1				
4	141--51	10	1669-1	1				
4	141--52	10	1669-1	1				
4	141--53	10	1669-1	1				
4	141--54	10	1669-1	1				
4	141--55	10	1669-1	1				
4	141--56	10	1669-1	1				
4	141--57	10	1669-1	1				
4	141--58	10	1669-1	1				
4	141--59	10	1669-1	1				
4	141--60	10	1669-1	1				
4	141--61	10	1669-1	1				
4	141--62	10	1669-1	1				
4	141--63	10	1669-1	1				
4	141--64	10	1669-1	1				
4	141--65	10	1669-1	1				
4	141--66	10	1669-1	1				
4	141--67	10	1669-1	1				
4	141--68	10	1669-1	1				
4	141--69	10	1669-1	1				
4	141--70	10	1669-1	1				
4	141--71	10	1669-1	1				
4	141--72	10	1669-1	1				
4	141--73	10	1669-1	1				
4	141--74	10	1669-1	1				
4	141--75	10	1669-1	1				
4	141--76	10	1669-1	1				
4	141--77	10	1669-1	1				
4	141--78	10	1669-1	1				
4	141--79	10	1669-1	1				
4	141--80	10	1669-1	1				
4	141--81	10	1669-1	1				
4	141--82	10	1669-1	1				
4	141--83	10	1669-1	1				
4	141--84	10	1669-1	1				
4	141--85	10	1669-1	1				
4	141--86	10	1669-1	1				
4	141--87	10	1669-1	1				
4	141--88	10	1669-1	1				
4	141--89	10	1669-1	1				
4	141--90	10	1669-1	1				
4	141--91	10	1669-1	1				
4	141--92	10	1669-1	1				
4	141--93	10	1669-1	1				
4	141--94	10	1669-1	1				
4	141--95	10	1669-1	1				
4	141--96	10	1669-1	1				
4	141--97	10	1669-1	1				
4	141--98	10	1669-1	1				
4	141--99	10	1669-1	1				
4	141--100	10	1669-1	1				
4	141--101	10	1669-1	1				
4	141--102	10	1669-1	1				
4	141--103	10	1669-1	1				
4	141--104	10	1669-1	1				
4	141--105	10	1669-1	1				
4	141--106	10	1669-1	1				
4	141--107	10	1669-1	1				
4	141--108	10	1669-1	1				
4	141--109	10	1669-1	1				
4	141--110	10	1669-1	1				
4	141--111	10	1669-1	1				
4	141--112	10	1669-1	1				
4	141--113	10	1669-1	1				
4	141--114	10	1669-1	1				
4	141--115	10	1669-1	1				
4	141--116	10	1669-1	1				
4	141--117	10	1669-1	1				
4	141--118	10	1669-1	1				
4	141--119	10	1669-1	1				
4	141--120	10	1669-1	1				
4	141--121	10	1669-1	1				
4	141--122	10	1669-1	1				
4	141--123	10	1669-1	1				
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4	141--127	10	1669-1	1				
4	141--128	10	1669-1	1				
4	141--129	10	1669-1	1				
4	141--130	10	1669-1	1				
4	141--131	10	1669-1	1				
4	141--132	10	1669-1	1				
4	141--133	10	1669-1	1				
4	141--134	10	1669-1	1				
4	141--135	10	1669-1	1				
4	141--136	10	1669-1	1				
4	141--137	10	1669-1	1				
4	141--138	10	1669-1	1				
4	141--139	10	1669-1	1				
4	141--140	10	1669-1	1				
4	141--141	10	1669-1	1				
4	141--142	10	1669-1	1				
4	141--143	10	1669-1	1				
4	141--144	10	1669-1	1				
4	141--145	10	1669-1	1				
4	141--146	10	1669-1	1				
4	141--147	10	1669-1	1				
4	141--148	10	1669-1	1				
4	141--149	10	1669-1	1				
4	141--150	10	1669-1	1				
4	141--151	10	1669-1	1				
4	141--152	10	1669-1	1				
4	141--153	10	1669-1	1				
4	141--154	10	1669-1	1				
4	141--155	10	1669-1	1				
4	141--156	10	1669-1	1				
4	141--157	10	1669-1	1				
4	141--158	10	1669-1	1				
4	141--159	10	1669-1	1				
4	141--160	10	1669-1	1				
4	141--161	10	1669-1	1				
4	141--162	10	1669-1	1				
4	141--163	10	1669-1	1				
4	141--164	10	1669-1	1				
4	141--165	10	1669-1	1				
4	141--166	10	1669-1	1				
4	141--167	10	1669-1	1				
4	141--168	10	1669-1	1				
4	141--169	10	1669-1	1				
4	141--170	10	1669-1	1				
4	141--171	10	1669-1	1				
4	141--172	10	1669-1	1				
4	141--173	10	1669-1	1				
4	141--174	10	1669-1	1				
4	141--175	10	1669-1	1				
4	141--176	10	1669-1	1				
4	141--177	10	1669-1	1				
4	141--178	10	1669-1	1				
4	141--179	10	1669-1	1				
4	141--180	10	1669-1	1				
4	141--181	10	1669-1	1				

141-22 10 0927-1 1 5076 2559 957

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	141--40	10	1839-0	1		2881	2676	205
4	141--41	10	0927-1	1		2686	2188	498
4	141--42	10	1837-1	1		2870	2618	252
4	141--43	10	0867-0	31				
4	141--48	10	1837-1	1		3513	2924	589
4	141--58	10	0927-1	1		2499	2160	339
4	141--59	10	1837-0	31				
4	141--87	10	0867-0	31				
4	141--88	10	1611-0	31				
4	141--90	10	1869-1	1		2834	2559	275
4	141--91	10	1637-1	1		2809	2403	406
4	141--86	10	0727-1	1		2395	2037	358
4	141--92	10	0927-1	1		2655	2225	430
4	142--07	10	1845-1	1		3395	2990	405
4	142--09	10	1837-0	31				
4	142--22	10	1837-1	1		3072	2665	407
4	142--29	10	1839-1	1		3211	2734	477
4	142--33	10	1837-1	1		2824	2626	198
4	142--43	10	1235-1	1		2815	2589	226
4	142--44	10	0867-1	1		3803	3589	214
4	141--96	10	0927-1	1		2552	2167	385
4	142--42	10	1845-1	1		3455	2955	500
4	142--45	10	1669-1	1		2650	2418	232
4	142--47	10	0927-1	1		2491	2188	303
4	142--49	10	1837-1	1		3798	3174	624
4	142--51	10	0867-0	31				
4	142--52	10	1619-0	31				
4	142--53	10	0727-1	1		2381	2019	362
4	142--79	10	1111-1	2	1	2281	2028	253
4	142--80	10	1837-1	1	12	2656	2540	116
4	142--81	10	0727-1	34				
4	142--82	10	1837-1	35				
4	142--83	10	1837-1	35				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	142--88	10	1837-1	34	1			
4	142--48	10	1837-1	32				
4	142--86	10	0927-1	34	12			
4	142--y1	10	1867-1	33				
4	142--95	10	1839-1	34	12			
4	142--96	10	0927-1	34	12			
4	142--97	10	1837-1	33				
4	142--98	10	1837-1	33				
4	143--19	10	1837-1	33				
4	142--24	10	0727-1	1				
4	142--78	10	1245-1	1				
4	142--85	10	1837-1	1				
4	142--90	10	0927-1	1				
4	142--89	10	1535-0	31		2390	2061	329
4	143--28	10	1669-1	33		3148	2702	446
4	143--36	10	1837-1	35		2759	2606	153
4	143--39	10	1837-1	35		2407	2181	226
4	143--43	10	1211-1	33				
4	143--51	10	0769-1	33				
4	143--60	10	0867-1	1				
4	142--30	10	1839-1	1				
4	142--70	10	1867-9	31				
4	142--94	10	1837-1	1				
4	143--04	10	1235-1	33				
4	143--06	10	1169-1	33				
4	143--07	10	1669-1	1				
4	143--09	10	1837-1	1				
4	143--20	10	1837-0	31				
4	143--29	10	0927-1	1				
4	143--52	10	0927-1	1				
4	143--22	10	0927-1	33				
4	143--23	10	0927-1	33				
4	143--24	10	0927-1	33				
4	143--25	10	0927-1	33				
4	143--26	10	0927-1	33				
4	143--27	10	0927-1	33				
4	143--28	10	0927-1	33				
4	143--29	10	0927-1	33				
4	143--30	10	0927-1	33				
4	143--31	10	0927-1	33				
4	143--32	10	0927-1	33				
4	143--33	10	0927-1	33				
4	143--34	10	0927-1	33				
4	143--35	10	0927-1	33				
4	143--36	10	0927-1	33				
4	143--37	10	0927-1	33				
4	143--38	10	0927-1	33				
4	143--39	10	0927-1	33				
4	143--40	10	0927-1	33				
4	143--41	10	0927-1	33				
4	143--42	10	0927-1	33				
4	143--43	10	0927-1	33				
4	143--44	10	0927-1	33				
4	143--45	10	0927-1	33				
4	143--46	10	0927-1	33				
4	143--47	10	0927-1	33				
4	143--48	10	0927-1	33				
4	143--49	10	0927-1	33				
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4	143--52	10	0927-1	33				
4	143--53	10	0927-1	33				
4	143--54	10	0927-1	33				
4	143--55	10	0927-1	33				
4	143--56	10	0927-1	33				
4	143--57	10	0927-1	33				
4	143--58	10	0927-1	33				
4	143--59	10	0927-1	33				
4	143--60	10	0927-1	33				
4	143--61	10	0927-1	33				
4	143--62	10	0927-1	33				
4	143--63	10	0927-1	33				
4	143--64	10	0927-1	33				
4	143--65	10	0927-1	33				
4	143--66	10	0927-1	33				
4	143--67	10	0927-1	33				
4	143--68	10	0927-1	33				
4	143--69	10	0927-1	33				
4	143--70	10	0927-1	33				
4	143--71	10	0927-1	33				
4	143--72	10	0927-1	33				
4	143--73	10	0927-1	33				
4	143--74	10	0927-1	33				
4	143--75	10	0927-1	33				
4	143--76	10	0927-1	33				
4	143--77	10	0927-1	33				
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4	143--79	10	0927-1	33				
4	143--80	10	0927-1	33				
4	143--81	10	0927-1	33				
4	143--82	10	0927-1	33				
4	143--83	10	0927-1	33				
4	143--84	10	0927-1	33				
4	143--85	10	0927-1	33				
4	143--86	10	0927-1	33				
4	143--87	10	0927-1	33				
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4	143--89	10	0927-1	33				
4	143--90	10	0927-1	33				
4	143--91	10	0927-1	33				
4	143--92	10	0927-1	33				
4	143--93	10	0927-1	33				
4	143--94	10	0927-1	33				
4	143--95	10	0927-1	33				
4	143--96	10	0927-1	33				
4	143--97	10	0927-1	33				
4	143--98	10	0927-1	33				
4	143--99	10	0927-1	33				
4	143--100	10	0927-1	33				
4	143--101	10	0927-1	33				
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4	143--103	10	0927-1	33				
4	143--104	10	0927-1	33				
4	143--105	10	0927-1	33				
4	143--106	10	0927-1	33				
4	143--107	10	0927-1	33				
4	143--108	10	0927-1	33				
4	143--109	10	0927-1	33				
4	143--110	10	0927-1	33				
4	143--111	10	0927-1	33				
4	143--112	10	0927-1	33				
4	143--113	10	0927-1	33				
4	143--114	10	0927-1	33				
4	143--115	10	0927-1	33				
4	143--116	10	0927-1	33				
4	143--117	10	0927-1	33				
4	143--118	10	0927-1	33				
4	143--119	10	0927-1	33				
4	143--120	10	0927-1	33				
4	143--121	10	0927-1	33				
4	143--122	10	0927-1	33				
4	143--123	10	0927-1	33				
4	143--124	10	0927-1	33				
4	143--125	10	0927-1	33				
4	143--126	10	0927-1	33				
4	143--127	10	0927-1	33				
4	143--128	10	0927-1	33				
4	143--129	10	0927-1	33				
4	143--130	10	0927-1	33				
4	143--131	10	0927-1	33				
4	143--132	10	0927-1	33				
4	143--133	10	0927-1	33				
4	143--134	10	0927-1	33				
4	143--135	10	0927-1	33				
4	143--136	10	0927-1	33				
4	143--137	10	0927-1	33				
4	143--138	10	0927-1	33				
4	143--139	10	0927-1	33				
4	143--140	10	0927-1	33				
4	143--141	10	0927-1	33				
4	143--142	10	0927-1	33				
4	143--143	10	0927-1	33				
4	143--144	10	0927-1	33				
4	143--145	10	0927-1	33				
4	143--146	10	0927-1	33				
4	143--147	10	0927-1	33				
4	143--148	10	0927-1	33				
4	143--149	10	0927-1	33				
4	143--150	10	0927-1	33				
4	143--151	10	0927-1	33				
4	143--152	10	0927-1	33				
4	143--153	10	0927-1	33				
4	143--154	10	0927-1	33				
4	143--155	10	0927-1	33				
4	143--156	10	0927-1	33				
4	143--157	10	0927-1	33				
4	143--158	10	0927-1	33				
4	143--159	10	0927-1	33				
4	143--160	10	0927-1	33				
4	143--161	10	0927-1	33				
4	143--162	10	0927-1	33				
4	143--163	10	0927-1	33				
4	143--164	10	0927-1	33				
4	143--165	10	0927-1	33				
4	143--166	10	0927-1	33				
4	143--167	10	0927-1	33				
4	143--168	10	0927-1	33				
4	143--169	10	0927-1	33				
4	143--170	10	0927-1	33				
4	143--171	10	0927-1	33				
4	143--172	10	0927-1	33				
4	143--173	10	0927-1	33				
4	143--174	10	0927-1	33				
4	143--175	10	0927-1	33				
4	143--176	10	0927-1	33				
4	143--177	10	0927-1	33				
4	143--178	10	0927-1	33				
4	143--179							

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143--100

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	143--27	10	1839-1	34	12			
4	143--63	10	1839-1	33				
4	143--65	10	0927-1	34	12			
4	143--67	10	1837-1	33				
4	143--26	10	1867-1	1				248
4	143--58	10	1839-1	1		2996	2748	442
4	143--59	10	0927-1	1		3017	2575	493
4	143--25	10	1837-1	33		2686	2193	
4	143--61	10	1835-1	33				
4	143--62	10	1837-1	2	1	2945	2550	395
4	143--64	10	1839-1	33				
4	143--66	10	1839-1	33				
4	143--97	10	0569-0	31				
4	143--99	10	0727-1	35				
4	143--35	10	1837-1	1				
4	143--38	10	0927-1	1		3058	2626	432
4	143--68	10	1837-0	31		2450	2016	434
4	143--69	10	0927-1	1				
4	143--70	10	1669-1	1		2543	2192	351
4	143--80	10	0769-1	1		2736	2454	282
4	143--91	10	0727-1	1		2573	2059	514
4	143--98	10	0867-0	31		2124	2028	96
4	143--45	10	1619-0	31				
4	144--53	10	0769-1	2				
4	144--80	10	1839-1	33	1	2304	2095	209
4	144--81	10	1839-1	33				
4	141--27	10	1867-1	1				
4	143--05	10	1837-1	1		3764	2932	832
4	143--33	10	0769-1	1		2802	2596	206
4	143--41	10	0927-1	1		2309	2046	263
4	143--42	10	R1206-1	1		2648	2158	490
4	143--47	10	0867-1	1		2777	2417	360
4	143--49	10	1839-1	1		5184	3990	1194
4		10				2996	2749	247

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
44	143--79	10	0927-1	1		2474	2215	259
44	144--00	10	1867-1	1		3367	3097	270
44	144--61	10	1845-1	1		3355	3057	298
44	143--37	10	1837-0	31				
44	144--65	10	1619-0	31				
44	144--66	10	1867-1	33				
44	143--34	10	1635-1	1		3402	3078	324
44	143--44	10	0727-1	1		2444	2107	337
44	144--68	10	0769-1	1		2554	2071	483
44	144--93	10	1867-1	1		3297	2899	398
44	142--99	10	1635-1	33				
44	144--71	10	0727-1	33				
44	144--82	10	1635-1	33				
44	144--83	10	1839-1	35				
44	144--87	10	1837-1	32				
44	144--97	10	1839-1	33				
44	145--12	10	0769-1	35				
44	145--13	10	0727-1	35				
44	145--14	10	1211-1	35				
44	145--16	10	1839-1	33				
44	145--22	10	1635-1	33				
44	143--32	10	0927-1	1		2419	2052	367
44	143--48	10	0727-1	1		2194	1882	312
44	143--95	10	0927-1	1		2582	2179	403
44	144--69	10	1235-1	33				
44	144--70	10	1837-1	1		2964	2663	301
44	144--72	10	0727-0	31				
44	144--84	10	1837-0	31				
44	144--85	10	0569-0	31				
44	144--86	10	0927-1	35				
44	144--88	10	1837-1	1				
44	144--90	10	1837-1	1				
44	144--91	10	1837-1	1				
44	144--92	10	1837-1	1				
44	144--93	10	1837-1	1				
44	144--94	10	1837-1	1				
44	144--95	10	1837-1	1				
44	144--96	10	1837-1	1				
44	144--97	10	1837-1	1				
44	144--98	10	1837-1	1				
44	144--99	10	1837-1	1				
44	144--00	10	1837-1	1				
44	144--01	10	1837-1	1				
44	144--02	10	1837-1	1				
44	144--03	10	1837-1	1				
44	144--04	10	1837-1	1				
44	144--05	10	1837-1	1				
44	144--06	10	1837-1	1				
44	144--07	10	1837-1	1				
44	144--08	10	1837-1	1				
44	144--09	10	1837-1	1				
44	144--10	10	1837-1	1				
44	144--11	10	1837-1	1				
44	144--12	10	1837-1	1				
44	144--13	10	1837-1	1				
44	144--14	10	1837-1	1				
44	144--15	10	1837-1	1				
44	144--16	10	1837-1	1				
44	144--17	10	1837-1	1				
44	144--18	10	1837-1	1				
44	144--19	10	1837-1	1				
44	144--20	10	1837-1	1				
44	144--21	10	1837-1	1				
44	144--22	10	1837-1	1				
44	144--23	10	1837-1	1				
44	144--24	10	1837-1	1				
44	144--25	10	1837-1	1				
44	144--26	10	1837-1	1				
44	144--27	10	1837-1	1				
44	144--28	10	1837-1	1				
44	144--29	10	1837-1	1				
44	144--30	10	1837-1	1				
44	144--31	10	1837-1	1				
44	144--32	10	1837-1	1				
44	144--33	10	1837-1	1				
44	144--34	10	1837-1	1				
44	144--35	10	1837-1	1				
44	144--36	10	1837-1	1				
44	144--37	10	1837-1	1				
44	144--38	10	1837-1	1				
44	144--39	10	1837-1	1				
44	144--40	10	1837-1	1				
44	144--41	10	1837-1	1				
44	144--42	10	1837-1	1				
44	144--43	10	1837-1	1				
44	144--44	10	1837-1	1				
44	144--45	10	1837-1	1				
44	144--46	10	1837-1	1				
44	144--47	10	1837-1	1				
44	144--48	10	1837-1	1				
44	144--49	10	1837-1	1				
44	144--50	10	1837-1	1				
44	144--51	10	1837-1	1				
44	144--52	10	1837-1	1				
44	144--53	10	1837-1	1				
44	144--54	10	1837-1	1				
44	144--55	10	1837-1	1				
44	144--56	10	1837-1	1				
44	144--57	10	1837-1	1				
44	144--58	10	1837-1	1				
44	144--59	10	1837-1	1				
44	144--60	10	1837-1	1				
44	144--61	10	1837-1	1				
44	144--62	10	1837-1	1				
44	144--63	10	1837-1	1				
44	144--64	10	1837-1	1				
44	144--65	10	1837-1	1				
44	144--66	10	1837-1	1				
44	144--67	10	1837-1	1				
44	144--68	10	1837-1	1				
44	144--69	10	1837-1	1				
44	144--70	10	1837-1	1				
44	144--71	10	1837-1	1				
44	144--72	10	1837-1	1				
44	144--73	10	1837-1	1				
44	144--74	10	1837-1	1				
44	144--75	10	1837-1	1				
44	144--76	10	1837-1	1				
44	144--77	10	1837-1	1				
44	144--78	10	1837-1	1				
44	144--79	10	1837-1	1				
44	144--80	10	1837-1	1				
44	144--81	10	1837-1	1				
44	144--82	10	1837-1	1				
44	144--83	10	1837-1	1				
44	144--84	10	1837-1	1				
44	144--85	10	1837-1	1				
44	144--86	10	1837-1	1				
44	144--87	10	1837-1	1				
44	144--88	10	1837-1	1				
44	144--89	10	1837-1	1				
44	144--90	10	1837-1	1				
44	144--91	10	1837-1	1				
44	144--92	10	1837-1	1				
44	144--93	10	1837-1	1				
44	144--94	10	1837-1	1				
44	144--95	10	1837-1	1				
44	144--96	10	1837-1	1				
44	144--97	10	1837-1	1				
44	144--98	10	1837-1	1				
44	144--99	10	1837-1	1				
44	144--00	10	1837-1	1				
44	144--01	10	1837-1	1				
44	144--02	10	1837-1	1				
44	144--03	10	1837-1	1				
44	144--04	10	1837-1	1				
44	144--05	10	1837-1	1				
44	144--06	10	1837-1	1				
44	144--07	10	1837-1	1				
44	144--08	10	1837-1	1				
44	144--09	10	1837-1	1				
44	144--10	10	1837-1	1				
44	144--11	10	1837-1	1				
44	144--12	10	1837-1	1				
44	144--13	10	1837-1	1				
44	144--14	10	1837-1	1				
44	144--15	10	1837-1	1				
44	144--16	10	1837-1	1				
44	144--17	10	1837-1	1				
44	144--18	10	1837-1	1				
44	144--19	10	1837-1	1				
44	144--20	10	1837-1	1				
44	144--21	10	1837-1	1				
44	144--22	10	1837-1	1				
44	144--23	10	1837-1	1				
44	144--24	10	1837-1	1				
44	144--25	10	1837-1	1				
44	144--26	10	1837-1	1				
44	144--27	10	1837-1	1				
44	144--28	10	1837-1	1				
44	144--29	10	1837-1	1				
44	144--30	10	1837-1	1				
44	144--31	10	1837-1	1				
44	144--32	10	1837-1	1				
44	144--33	10	1837-1	1				
44	144--34	10	1837-1	1				
44	144--35	10	1837-1	1				
44	144--36	10	1837-1	1				
44	144--37	10	1837-1	1				
44	144--38	10	1837-1	1				
44	144--39	10	1837-1	1				
44	144--40	10	1837-1	1				
44	144--41	10	1837-1	1				
44	144--42	10	1837-1	1				
44	144--43	10	1837-1	1				
44	144--44	10	1837-1	1				
44	144--45	10	1837-1	1				
44	144--46							

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO.-YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	145--28	10	1169-1	33				
4	145--31	10	1837-1	33				
4	145--32	10	1837-1	34	12			
4	145--35	10	1839-1	33				
4	145--39	10	1837-1	35				
4	145--40	10	1635-1	33				
4	145--41	10	0927-1	1		2039	1921	118
4	145--42	10	0927-1	34	12			
4	145--43	10	1835-1	34	12			
4	145--50	10	1867-0	31				
4	143--46	10	1635-1	33				
4	143--93	10	1867-1	1		3448	3080	368
4	143--96	10	1111-0	31				
4	145--10	10	1511-1	1		2465	2242	223
4	145--29	10	1867-0	31				
4	145--30	10	1839-1	1		2818	2608	210
4	145--33	10	0727-1	1		2382	2050	332
4	145--34	10	0927-1	34	12			
4	145--44	10	1837-1	1		2879	2635	244
4	145--45	10	1839-1	1		3676	3261	415
4	145--47	10	1839-1	1		2865	2672	193
4	145--48	10	1269-1	1		2530	2339	191
4	145--68	10	1111-1	1		2131	1961	170
4	144--01	10	0927-1	1		2619	2200	419
4	144--02	10	0927-1	1		2544	2057	487
4	144--98	10	1837-0	31				
4	144--99	10	1215-0	31				
4	145--00	10	1837-1	1		2925	2568	357
4	145--07	10	1245-1	1		3100	2630	470
4	145--05	10	1619-0	31				
4	145--09	10	1837-1	1		3006	2624	382
4	145--11	10	0727-1	1		2260	1989	271
4	145--51	10	1635-1	1		2973	2730	243

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DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	145--63	10	1837-1	1		3246	2764	482
4	141--80	10	1111-0	31				
4	142--40	10	0769-1	1		2421	2156	265
4	143--94	10	0867-1	1		4492	3988	504
4	144--73	10	1611-0	31				
4	143--30	10	1837-1	35				
4	145--02	10	0867-0	31				
4	145--03	10	1839-1	1		2962	2707	255
4	145--15	10	1839-1	33				
4	145--27	10	1839-1	33				
4	145--62	10	1867-1	33				
4	145--78	10	1135-1	1		2389	2271	118
4	145--79	10	0927-1	33				
4	145--89	11	1111-1	1		2302	2115	187
4	146--09	11	1169-1	33				
4	146--13	11	1839-1	1				
4	146--15	11	0927-1	1		2998	2610	398
4	146--31	11	0735-1	1		2523	2118	405
4	146--33	11	0927-1	1		2683	2295	388
4	145--69	11	1839-1	1		2428	2179	249
4	145--81	11	1569-1	33				
4	145--87	11	1839-1	33		2476	2360	116
4	145--88	11	1535-1	35				
4	145--90	11	1837-1	33				
4	145--91	11	1839-1	33				
4	145--93	11	1839-0	31				
4	145--96	11	1839-1	1		3415	3322	93
4	145--99	11	1637-1	33				
4	146--00	11	1839-1	33				
4	146--01	11	1839-1	33				
4	146--04	11	1839-1	33				
4	146--07	11	0927-1	33				
4	146--08	11	1637-1	33				

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0927-1
1037-1

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DEALER
NO.

INVOICE NO.

MONTH
AND
YEAR

MODEL NO.

TYPE OF
SALE

OUTLET
NO.

NET
SELLING
PRICE TO
CUSTOMER

DEALER
INVOICE

MARKUP

4 146--11 11 1837-1 35
4 146--12 11 1635-1 35
4 146--14 11 1645-1 35
4 146--32 11 1669-1 1
4 146--42 11 0769-1 33
4 146--43 11 1837-1 33
4 145--84 11 1669-1 33
4 146--26 11 1635-1 35
4 146--56 11 1635-1 33
4 146--66 11 1867-0 31
4 145--80 11 0927-1 1
4 145--95 11 1837-1 1
4 145--97 11 1837-1 1
4 146--23 11 0769-1 33
4 146--24 11 0735-1 1
4 146--27 11 0927-1 1
4 146--29 11 1839-1 1
4 146--30 11 1635-1 1
4 146--35 11 0727-1 1
4 146--39 11 1837-1 1
4 146--46 11 0927-1 1
4 146--55 11 0927-1 34
4 146--58 11 1669-1 33
4 146--64 11 0527-1 1
4 146--68 11 1839-1 1
4 146--25 11 0927-1 1
4 146--28 11 1569-1 1
4 146--37 11 0927-1 1
4 146--52 11 0927-1 1
4 145--85 11 0727-1 34
4 146--40 11 0735-1 32
4 146--57 11 1839-1 33
4 146--61 11 1839-1 33

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2634 439
2959 190
2884 254
2558 291
2587 421
3047 419
2977 187
2222 195
2944 312
2517 359
2195 2195
2769 2769
2630 2630
2267 2267
2166 2166
2628 2628
2790 2790
2027 2027
2632 2632
2158 2158

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1994 208
2890 295
2562 440
2570 362
2686 507
2496 371
1786 1786
2595 2595
2122 2122
2208 2208
2179 2179
2125 2125

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	147--28	11	0927-1	33				
4	147--30	11	1837-1	34	12			
4	147--32	11	1635-1	34	12			
4	147--57	11	1837-1	33				
4	147--58	11	1111-1	34	12			
4	147--59	11	1837-1	1		2726	2580	146
4	147--60	11	1839-1	2	1	2929	2694	235
4	147--61	11	1269-1	1		2361	2248	113
4	147--64	11	1839-1	33				
4	147--65	11	1839-1	33				
4	147--68	11	0727-1	2	1	2248	2013	235
4	147--70	11	1839-1	33				
4	147--72	11	1839-1	34	12			
4	147--75	11	0927-1	34	12			
4	147--79	11	1837-1	33				
4	147--81	11	1837-1	33				
4	147--82	11	1837-1	33				
4	147--83	11	0769-1	33				
4	147--90	11	0769-0	31		2950	2621	329
4	146--67	11	1235-1	1		2418	2145	273
4	147--38	11	1169-1	1		2780	2579	201
4	147--66	11	1837-1	1		2780	2578	202
4	147--67	11	1837-1	1		2636	2188	448
4	147--88	11	0927-1	1		2447	2236	211
4	148--00	11	0735-1	1		2869	2686	183
4	148--05	11	1837-1	1		2815	2484	331
4	148--06	11	1837-1	1		2910	2720	190
4	148--28	11	1839-1	1		3047	2945	102
4	147--29	11	1835-1	1				
4	147--35	11	1837-1	34	12			
4	147--62	11	1839-1	2	1	2902	2667	235
4	147--63	11	1839-1	33				
4	147--76	11	1837-1	2	1	2808	2584	224

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	DEALER - COURTESY		OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
			MODEL NO. AND YEAR	TYPE OF SALE*				
					12			
4	147--80	11	0927-1	34				
4	147--86	11	1121-1	33				
4	147--87	11	1121-1	33				
4	147--94	11	0769-1	35				
4	147--95	11	1639-1	33				
4	147--96	11	1569-1	33				
4	147--96	11	0735-1	33				
4	148--01	11	0927-1	35				
4	148--02	11	1839-1	33				
4	146--02	11	1839-1	33				
4	146--04	11	1839-1	33				
4	146--59	11	1839-1	33				
4	146--69	11	1839-1	33				
4	146--87	11	1839-1	33				
4	146--88	11	1839-1	33				
4	146--90	11	1839-1	33				
4	146--91	11	1839-1	33				
4	146--92	11	1839-1	33				
4	146--93	11	1839-1	33				
4	147--46	11	0927-1	1		2384	2271	113
4	147--53	11	0769-1	1		2250	2122	128
4	147--77	11	1839-1	33				
4	147--85	11	1839-1	33				
4	148--22	11	1215-0	31				
4	147--69	11	1839-1	1				
4	147--99	11	1837-1	1				
4	148--03	11	1837-1	1				
4	148--19	11	1169-1	1				
4	148--24	11	0927-1	1				
4	147--37	11	1837-1	1				
4	147--48	11	1635-0	1				
4	147--49	11	1437-0	1				
4	147--50	11	1437-0	1				
4	147--51	11	1437-0	1				
4	147--52	11	1437-0	1				
4	147--53	11	1437-0	1				
4	147--54	11	1437-0	1				
4	147--55	11	1437-0	1				
4	147--56	11	1437-0	1				
4	147--57	11	1437-0	1				
4	147--58	11	1437-0	1				
4	147--59	11	1437-0	1				
4	147--60	11	1437-0	1				
4	147--61	11	1437-0	1				
4	147--62	11	1437-0	1				
4	147--63	11	1437-0	1				
4	147--64	11	1437-0	1				
4	147--65	11	1437-0	1				
4	147--66	11	1437-0	1				
4	147--67	11	1437-0	1				
4	147--68	11	1437-0	1				
4	147--69	11	1437-0	1				
4	147--70	11	1437-0	1				
4	147--71	11	1437-0	1				
4	147--72	11	1437-0	1				
4	147--73	11	1437-0	1				
4	147--74	11	1437-0	1				
4	147--75	11	1437-0	1				
4	147--76	11	1437-0	1				
4	147--77	11	1437-0	1				
4	147--78	11	1437-0	1				
4	147--79	11	1437-0	1				
4	147--80	11	1437-0	1				
4	147--81	11	1437-0	1				
4	147--82	11	1437-0	1				
4	147--83	11	1437-0	1				
4	147--84	11	1437-0	1				
4	147--85	11	1437-0	1				
4	147--86	11	1437-0	1				
4	147--87	11	1437-0	1				
4	147--88	11	1437-0	1				
4	147--89	11	1437-0	1				
4	147--90	11	1437-0	1				
4	147--91	11	1437-0	1				
4	147--92	11	1437-0	1				
4	147--93	11	1437-0	1				
4	147--94	11	1437-0	1				
4	147--95	11	1437-0	1				
4	147--96	11	1437-0	1				
4	147--97	11	1437-0	1				
4	147--98	11	1437-0	1				
4	147--99	11	1437-0	1				
4	148--00	11	1437-0	1				
4	148--01	11	1437-0	1				
4	148--02	11	1437-0	1				
4	148--03	11	1437-0	1				
4	148--04	11	1437-0	1				
4	148--05	11	1437-0	1				
4	148--06	11	1437-0	1				
4	148--07	11	1437-0	1				
4	148--08	11	1437-0	1				
4	148--09	11	1437-0	1				
4	148--10	11	1437-0	1				
4	148--11	11	1437-0	1				
4	148--12	11	1437-0	1				
4	148--13	11	1437-0	1				
4	148--14	11	1437-0	1				
4	148--15	11	1437-0	1				
4	148--16	11	1437-0	1				
4	148--17	11	1437-0	1				
4	148--18	11	1437-0	1				
4	148--19	11	1437-0	1				
4	148--20	11	1437-0	1				
4	148--21	11	1437-0	1				
4	148--22	11	1437-0	1				
4	148--23	11	1437-0	1				
4	148--24	11	1437-0	1				
4	148--25	11	1437-0	1				
4	148--26	11	1437-0	1				
4	148--27	11	1437-0	1				
4	148--28	11	1437-0	1				
4	148--29	11	1437-0	1				
4	148--30	11	1437-0	1				
4	148--31	11	1437-0	1				
4	148--32	11	1437-0	1				
4	148--33	11	1437-0	1				
4	148--34	11	1437-0	1				
4	148--35	11	1437-0	1				
4	148--36	11	1437-0	1				
4	148--37	11	1437-0	1				
4	148--38	11	1437-0	1				
4	148--39	11	1437-0	1				
4	148--40	11	1437-0	1				
4	148--41	11	1437-0	1				
4	148--42	11	1437-0	1				
4	148--43	11	1437-0	1				
4	148--44	11	1437-0	1				
4	148--45	11	1437-0	1				
4	148--46	11	1437-0	1				
4	148--47	11	1437-0	1				
4	148--48	11	1437-0	1				
4	148--49	11	1437-0	1				
4	148--50	11	1437-0	1				
4	148--51	11	1437-0	1				
4	148--52	11	1437-0	1				
4	148--53	11	1437-0	1				
4	148--54	11	1437-0	1				
4	148--55	11	1437-0	1				
4	148--56	11	1437-0	1				
4	148--57	11	1437-0	1				
4	148--58	11	1437-0	1				
4	148--59	11	1437-0	1				
4	148--60	11	1437-0	1				
4	148--61	11	1437-0	1				
4	148--62	11	1437-0	1				
4	148--63	11	1437-0	1				
4	148--64	11	1437-0	1				
4	148--65	11	1437-0	1				
4	148--66	11	1437-0	1				
4	148--67	11	1437-0	1				
4	148--68	11	1437-0	1				
4	148--69	11	1437-0	1				
4	148--70	11	1437-0	1				
4	148--71	11	1437-0	1				
4	148--72	11	1437-0	1				
4	148--73	11	1437-0	1				
4	148--74	11	1437-0	1				
4	148--75	11	1437-0	1				
4	148--76	11	1437-0	1				
4	148--77	11	1437-0	1				
4	148--78	11	1437-0	1				
4	148--79	11	1437-0	1				
4	148--80	11	1437-0	1				
4	148--81	11	1437-0	1				
4	148--82	11	1437-0	1				
4	148--83	11	1437-0	1				
4	148--84	11	1437-0	1				
4	148--85	11	1437-0	1				
4	148--86	11	1437-0	1				
4	148--87	11	1437-0	1				
4	148--88	11	1437-0	1				
4	148--89	11	1437-0	1				
4	148--90	11	1437-0	1				
4	148--91	11	1437-0	1				
4	148--92	11	1437-0	1				
4	148--93	11	1437-0	1				
4	148--94	11	1437-0	1				
4	148--95	11	1437-0	1				
4	148--96	11	1437-0	1				
4	148--97	11	1437-0	1				
4	148--98	11	1437-0	1				
4	148--99	11	1437-0	1				
4	149--00	11	1437-0	1				
4	149--01	11	1437-0	1				
4	149--02	11	1437-0	1				
4	149--03	11	1437-0	1				
4	149--04	11	1437-0	1				
4	149--05	11	1437-0	1				
4	149--06	11	1437-0	1				
4								

147-56 148-27 148-49 148-52 148-57 148-62 148-78 148-79 148-80 148-83 148-84 148-92 147-73 148-58 148-63 148-75 148-95 147-98 148-20 148-56 148-59 148-88 147-71 148-23 148-26 148-64 148-82 149-01 149-33 149-38 149-40 149-47

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	147-56	11	1837-1	33				
4	148-18	11	1837-1	33				
4	148-27	11	1837-1	33				
4	148-49	11	1837-1	1		2724	2595	129
4	148-52	11	1839-1	2	1	3029	2790	239
4	148-57	11	1737-1	33				
4	148-62	11	1837-1	35				
4	148-78	11	1837-1	1		2719	2602	117
4	148-79	11	1635-1	33				
4	148-80	11	1135-1	34	12			
4	148-83	11	1835-1	35				
4	148-84	11	1235-1	33				
4	148-92	11	0927-1	1		2299	2179	120
4	147-73	11	0727-1	2	1	2270	2035	235
4	148-58	11	1221-0	31				
4	148-63	11	0927-1	35				
4	148-75	11	1837-1	32				
4	148-95	11	0527-1	1		1871	1752	119
4	147-98	11	0727-1	1		2334	2045	289
4	148-20	11	1635-1	1		3449	3076	373
4	148-56	11	0927-1	1		2360	2181	179
4	148-59	11	0727-1	1		2179	1988	191
4	148-88	11	0927-1	1		2412	2186	226
4	147-71	11	0727-1	1		2058	1897	161
4	148-23	11	0867-1	1		4118	3828	290
4	148-26	11	0867-1	1		4004	3702	302
4	148-64	11	1669-1	1		2608	2464	144
4	148-82	11	1135-1	1		2654	2488	166
4	149-01	11	1867-1	1		3073	2776	297
4	149-33	11	1635-1	1		2984	2785	199
4	149-38	11	1635-1	1		3043	2755	288
4	149-40	11	1111-1	1		2097	1942	155
4	149-47	11	1169-1	1		2622	2162	460

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•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	148--86	11	1837-1	1		2729	2550	179
4	149--29	11	0927-1	1		2292	2063	229
4	149--36	11	0927-1	1		2390	2038	352
4	149--41	11	1111-1	1		2174	1965	209
4	149--48	11	0727-1	1		2187	1965	222
4	149--70	11	1837-1	1		2829	2615	214
4	149--71	11	1837-1	1		2948	2516	432
4	147--74	11	0927-1	34	12			
4	148--48	11	1839-1	33				
4	148--50	11	1839-1	33				
4	148--77	11	0769-1	1		2177	2058	119
4	149--13	11	1839-1	33				
4	149--18	11	1869-1	34	12			
4	149--21	11	1837-1	33				
4	149--24	11	1837-1	35				
4	149--27	11	1837-1	33				
4	149--43	11	1669-1	33				
4	149--50	11	1611-1	33				
4	149--74	11	1635-1	35				
4	149--78	11	1839-1	35				
4	149--79	11	1837-1	1		3099	2969	130
4	149--80	11	1867-1	33				
4	149--81	11	0927-1	2	1	2334	2104	230
4	149--82	11	1867-1	33				
4	149--83	11	0927-1	34	12			
4	149--84	11	1669-1	1		2543	2423	120
4	147--36	11	1837-1	33				
4	149--25	11	0727-1	1		2050	1902	148
4	149--68	11	1611-1	33				
4	149--72	11	0727-1	33				
4	149--73	11	1837-1	32				
4	150--04	11	0727-1	1		2170	2022	148
4	150--06	11	1839-1	32				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	150--07	11	1635-1	33				
4	146--81	11	1235-1	1		2776	2539	237
4	149--75	11	1839-1	35				
4	150--00	11	0867-0	31				
4	146--89	11	1839-1	33		2187	2050	137
4	150--16	11	0727-1	1				
4	150--17	11	0727-1	34	12			
4	150--18	11	0927-1	2	1	2240	2061	179
4	150--19	11	0727-1	33	1	2319	2075	244
4	150--20	11	0927-1	2				
4	150--21	11	1835-1	34				
4	150--22	11	1839-1	33	12			
4	150--23	11	1737-1	34				
4	150--30	11	1635-1	35	12			
4	150--31	11	1269-1	35				
4	150--35	11	1839-1	33				
4	150--45	11	1839-1	33				
4	150--46	11	1839-1	33				
4	150--47	11	1839-1	33				
4	149--56	11	0927-1	1		2678	2179	499
4	150--15	11	0927-1	1		2341	2160	181
4	150--26	11	0927-1	1		2349	2130	219
4	150--28	11	1867-1	1		3055	2839	216
4	150--29	11	1839-1	1		2888	2687	201
4	150--33	11	1837-1	1		2887	2621	266
4	148--99	11	R1206-1	1		2931	2376	555
4	150--49	11	1837-1	1		3092	2742	350
4	150--53	11	1837-1	1		3131	2804	327
4	150--66	11	1839-1	1		3350	3181	169
4	150--70	11	0927-1	1		2323	2136	187
4	150--71	11	0755-1	1				
4	150--72	11	0727-1	34	12	2189	2029	160
4		11	0727-1			2444	2140	124

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	150--78	11	1169-1	1		2325	2163	162
4	150--90	11	1839-1	1		2946	2663	293
4	149--19	11	1837-1	33				
4	149--45	11	1569-1	33				
4	149--76	11	1845-1	33				
4	150--58	11	1835-1	34	12			
4	150--61	11	1635-1	33				
4	150--64	11	1839-1	33				
4	150--69	11	1111-1	33				
4	150--73	11	1837-1	34	12			
4	150--74	11	1867-1	33				
4	150--75	11	1669-1	33				
4	149--67	11	1211-1	33	12			
4	149--86	11	1211-1	33				
4	149--87	11	1211-1	33				
4	149--88	11	1211-1	33				
4	149--89	11	1211-1	33				
4	149--90	11	1211-1	33				
4	150--03	11	1839-1	33				
4	150--24	11	1211-1	33				
4	150--25	11	1211-1	33				
4	150--34	11	1211-1	33				
4	150--51	11	1839-1	1		2880	2836	44
4	150--54	11	1839-1	1		2690	2614	76
4	150--55	11	1867-1	35				
4	150--77	11	1645-1	1		2956	2821	135
4	150--79	11	1211-1	33				
4	150--80	11	1211-1	33				
4	150--81	11	1211-1	33				
4	150--92	11	1511-1	33				
4	151--00	11	1837-1	35				
4	151--05	11	1835-1	33				
4	151--06	11	1835-1	33				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	150--62	11	0927-1	1		2425	2171	254
4	150--63	11	0927-1	1		2592	2160	432
4	150--65	11	0769-1	1		2248	2058	190
4	150--91	11	1569-1	1		2316	2118	198
4	150--93	11	1269-1	1		2615	2310	305
4	150--95	11	0769-1	1		2480	2055	425
4	150--98	11	1111-1	1		2610	2190	420
4	151--01	11	0927-1	1		2436	2057	379
4	151--02	11	0727-1	1		2485	2050	435
4	151--04	11	1837-1	1		2925	2632	293
4	151--28	11	0735-1	1		2524	2295	229
4	151--29	11	1111-1	1		2466	2183	283
4	151--46	11	1669-1	1		2607	2446	161
4	151--54	11	0927-1	1		2734	2231	503
4	151--69	11	0927-1	1		2280	2129	151
4	151--70	11	1837-1	1		3007	2695	312
4	151--85	11	0727-1	1		2096	1839	257
4	151--88	11	0927-1	1		2545	2073	472
4	151--89	11	1837-1	1		2819	2583	236
4	151--90	11	0927-1	1		2370	2046	324
4	151--92	11	1839-1	1		2932	2676	256
4	151--95	12	0769-1	33				
4	151--97	12	1867-0	31				
4	152--09	12	0769-0	31				
4	152--10	12	0927-1	34				
4	152--11	12	1837-1	34				
4	152--16	12	1867-0	31				
4	152--12	12	1837-1	2	12			
4	152--13	12	0927-1	2	12			
4	151--98	12	1837-1	33				
4	152--00	12	0927-1	35				
4	152--01	12	07-7-1	35				
4	152--20	12	086 -1	33				
					12			
					12			
					1			
					1			
						3261	2956	305
						2349	2104	245

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[fol. 1706]

DEALER - COURTESY

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DEALER
NO.

INVOICE NO.

MONTH
SOLDMODEL NO.
AND
YEARTYPE OF
SALE*OUTLET
NO.*NET
SELLING
PRICE TO
CUSTOMERDEALER
INVOICE

MARKUP

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4	152--42	12	1839-1	33					
4	152--46	12	1867-1	33					
4	152--48	12	1839-1	33					
4	152--51	12	1837-1	1					
4	152--53	12	1669-1	33			2921	2801	120
4	152--54	12	1837-1	33					
4	152--58	12	1669-1	33					
4	152--60	12	1837-1	33					
4	152--74	12	1111-1	1			2082	1967	115
4	152--82	12	1211-1	33					
4	151--96	12	1839-1	1			3340	2981	359
4	151--99	12	0927-1	1			2386	2110	276
4	152--02	12	1637-1	1			3299	2536	763
4	152--03	12	1837-1	1			2956	2718	238
4	152--04	12	0927-1	1			2465	2176	289
4	152--05	12	1837-1	1			2896	2623	273
4	152--06	12	1839-1	1			2941	2710	231
4	152--07	12	1839-1	1			3140	2716	424
4	152--08	12	1111-1	1			2186	1977	209
4	152--15	12	1235-1	1			2870	2521	349
4	152--17	12	0927-1	1			2535	2101	434
4	152--41	12	0927-1	1			2389	2197	192
4	152--44	12	0927-1	1			2333	2150	183
4	152--45	12	0727-1	1			2195	2029	166
4	152--49	12	0927-1	1			2306	2146	160
4	152--50	12	1635-1	1			2859	2695	164
4	152--52	12	1845-1	1			3625	3461	164
4	152--55	12	0735-1	1			2730	2334	396
4	152--67	12	0927-1	1			2465	2157	308
4	152--69	12	1835-1	33					
4	152--70	12	0867-1	33					
4	152--71	12	0927-1	33					
4	152--72	12	0927-1	33			3791	3390	401

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	152--73	12	1639-1	33				
4	152--85	12	1867-1	1		3052	2931	121
4	152--86	12	1867-1	1		3216	3107	109
4	152--90	12	1635-1	34	12			
4	152--91	12	1835-1	1				
4	153--08	12	0927-1	35		2967	2856	111
4	153--16	12	1637-1	33				
4	152--88	12	1169-1	1				
4	152--89	12	0927-1	1		2371	2207	164
4	152--96	12	0769-1	1		2357	2146	211
4	153--02	12	1169-1	1		2284	2129	155
4	153--03	12	1867-1	1		2282	2020	262
4	153--04	12	1837-1	1		3170	2977	193
4	153--05	12	1837-1	1		2715	2538	177
4	153--06	12	0769-1	1		3135	2780	355
4	153--21	12	1635-1	1		2422	2048	374
4	153--22	12	1635-1	33				
4	153--25	12	1611-1	33		2396	2270	126
4	153--29	12	1535-1	1				
4	153--33	12	1837-1	35				
4	153--35	12	0769-0	33				
4	153--01	12	0927-1	31		2649	2242	407
4	153--07	12	0927-1	1		2798	2238	560
4	153--17	12	1867-0	1				
4	153--18	12	1839-1	31				
4	153--23	12	1839-1	1		2890	2723	167
4	153--26	12	1211-1	1		3326	3082	244
4	153--28	12	0927-1	1		2675	2298	377
4	153--31	12	0927-1	1		2367	2059	308
4	153--32	12	1839-1	1		2417	2167	250
4	153--36	12	1611-0	1		2983	2691	292
4	153--27	12	0769-1	31				
4	153--56	12	1569-1	1		2289	2079	210
4		12				2417	2235	182

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	153--68	12	0727-1	1		2235	2062	173
4	153--69	12	1211-1	1		2506	2301	205
4	153--70	12	1837-1	1		2847	2566	281
4	152--87	12	1235-1	33				
4	153--19	12	1837-1	32				
4	153--47	12	1839-1	33				
4	153--48	12	1839-1	33				
4	153--49	12	1635-1	1		2787	2661	126
4	153--51	12	0769-1	1		2225	2085	140
4	153--52	12	1211-1	1		2657	2539	118
4	153--53	12	0727-1	34	12			
4	153--54	12	1839-1	35				
4	153--58	12	1569-1	35				
4	153--59	12	1635-1	33				
4	153--60	12	1669-1	33				
4	153--65	12	0769-1	35				
4	153--67	12	0735-1	33				
4	153--34	12	1639-1	1		3032	2597	435
4	153--64	12	1839-1	1		3607	3237	370
4	153--89	12	0927-1	1		2314	2095	219
4	153--90	12	1837-1	1		3425	3131	294
4	153--91	12	0735-1	1		2488	2150	338
4	153--95	12	1837-1	1		2883	2584	299
4	153--96	12	0769-1	1		2288	2071	217
4	154--18	12	0727-1	33				
4	154--19	12	1645-1	1		2954	2777	177
4	154--22	12	0867-1	1		3743	3545	198
4	154--28	12	1867-1	1		3160	2945	215
4	154--34	12	1635-1	1		2916	2668	248
4	154--36	12	0927-1	1		2475	2182	293
4	153--36	12	0727-1	34	12			
4	153--37	12	1635-1	34	12			

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	153--84	12	1839-1	33				
4	153--86	12	1837-1	1				
4	153--92	12	1635-1	33		2775	2633	142
4	153--94	12	1669-1	33				
4	153--97	12	0769-1	35				
4	153--98	12	0569-1	33				
4	153--99	12	1611-1	1				
4	154--21	12	1837-1	1		2588	2443	145
4	154--23	12	0727-1	1		2746	2603	143
4	154--31	12	1869-1	1		2069	1949	120
4	154--33	12	1839-1	1		2738	2669	69
4	154--37	12	0569-1	33		3219	3084	135
4	154--38	12	1635-0	31				
4	153--93	12	1637-1	33				
4	154--14	12	0927-1	32				
4	154--24	12	1737-1	34	12			
4	154--26	12	1837-1	34	12			
4	154--30	12	1837-1	35				
4	154--32	12	1839-1	2	1	3070	2832	238
4	154--41	12	1867-0	31				
4	154--43	12	1635-1	33				
4	154--49	12	0927-1	35				
4	154--50	12	1839-1	33				
4	154--52	12	1837-1	33				
4	153--24	12	0569-1	1		2157	1796	361
4	153--88	12	0867-1	1		4204	3962	242
4	154--25	12	1511-1	34	12			
4	154--35	12	1639-1	1				
4	154--40	12	0769-1	1				
4	154--42	12	0927-1	1		2887	2557	330
4	154--44	12	0927-1	1		2387	2080	507
4	154--55	12	0927-1	1		2746	2229	517
4	154--55	12	0927-1	1		2219	2116	103
4	154--55	12	0927-1	1		2479	2079	400
4	154--64	12	0927-1	1		2441	2140	301

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	154--65	12	1635-1	33				
4	154--75	12	1669-1	33				
4	154--76	12	1211-1	35				
4	154--69	12	1835-1	1		3379	3122	257
4	154--72	12	0927-1	1		2338	2111	227
4	154--73	12	0927-1	1		2370	2179	191
4	154--77	12	1837-1	1		2825	2563	262
4	154--78	12	1839-1	1		2913	2696	217
4	154--79	12	0735-1	1		2549	2223	326
4	154--81	12	1837-0	31				
4	154--83	12	1835-1	1		3422	3232	190
4	154--82	12	0769-0	31				
4	154--84	12	0927-1	1		2388	2179	209
4	154--85	12	0927-1	1		2244	2088	156
4	154--86	12	1837-1	1		3065	2841	224
4	154--29	12	0867-1	33				
4	154--94	12	0769-1	2	1	2267	2058	209
4	154--95	12	1839-1	33				
4	155--04	12	0867-1	33				
4	155--09	12	0727-1	33				
4	155--10	12	0727-1	33				
4	155--11	12	1635-1	33				
4	155--20	12	1669-1	1				
4	155--21	12	0927-1	2	7	2505	2384	121
4	155--23	12	0569-1	34	12	2401	2168	233
4	155--25	12	1135-1	1				
4	155--27	12	0727-1	1		2423	2304	119
4	155--28	12	1645-1	2		2135	1999	136
4	154--67	12	0927-1	1	7	2987	2791	196
4	154--68	12	0769-1	1		2328	2033	295
4	154--69	12	0769-1	1		2299	2021	278
4	154--70	12	0927-1	1		2229	2040	284
4	154--71	12	0927-1	1		2240	2040	284

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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	155--07	12	0735-1	1		2518	2311	207
4	155--22	12	0769-1	1		2209	2060	149
4	155--30	12	0927-1	1		2375	2165	210
4	154--66	12	1839-1	33				
4	155--12	12	1837-1	32				
4	155--26	12	1111-1	33				
4	155--32	12	1569-1	33				
4	155--36	12	1669-1	33				
4	155--37	12	1837-1	34	12			
4	155--38	12	1837-1	33				
4	155--40	12	1211-1	34	12			
4	155--46	12	0927-1	1		2301	2189	112
4	155--49	12	1635-0	31				
4	155--58	12	1839-1	33				
4	155--24	12	0927-1	33				
4	155--29	12	1739-1	1		2705	2532	173
4	155--33	12	0769-0	31				
4	155--39	12	0769-1	1		2268	2039	229
4	155--43	12	0927-1	1		2328	2129	199
4	155--44	12	1839-1	1		2824	2665	159
4	155--50	12	0927-1	1		2499	2194	305
4	155--69	12	0569-0	31				
4	155--82	12	1867-1	35				
4	155--86	12	1839-1	1		2996	2850	146
4	155--88	12	1837-1	1		2750	2624	126
4	155--92	12	1211-1	33				
4	155--64	12	0735-1	1		2476	2208	258
4	155--70	12	1635-1	1		2899	2720	179
4	155--83	12	0927-1	1		2233	2062	171
4	155--65	12	0527-1	33				
4	155--66	12	0927-1	33				
4	155--79	12	1669-1	33				
4	155--80	12	1669-1	33				

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26.82
27.34
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DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	156--17	12	0769-1	1		2183	2070	113
4	156--18	12	0769-1	1		1997	1887	110
4	156--20	12	1837-1	33				
4	156--21	12	1837-1	1				
4	156--22	12	1837-1	33		2692	2577	115
4	156--23	12	1169-1	34				
4	156--25	12	1235-1	33	12			
4	156--30	12	1635-1	33				
4	156--31	12	1635-1	33				
4	156--33	12	1569-1	1				
4	156--37	12	0769-1	1		2438	2315	123
4	156--38	12	1767-0	31		2218	2073	145
4	156--39	12	0927-1	1		2317	2177	140
4	156--43	12	1845-1	33				
4	156--45	12	0769-1	34	12			
4	156--24	12	1839-1	33				
4	156--52	12	1867-1	33				
4	156--53	12	1837-1	33				
4	156--55	12	0867-1	34	12			
4	156--58	12	1835-1	33				
4	156--65	12	1835-1	33				
4	156--66	12	1635-1	35				
4	156--69	12	1839-1	33				
4	156--88	12	0927-1	1		2259	2171	88
4	156--89	12	1837-1	35				
4	156--90	12	1739-1	35				
4	156--91	12	1835-1	33				
4	156--92	12	1611-1	33				
4	156--93	12	1837-1	33				
4	156--94	12	1635-1	33				
4	157--01	12	1637-1	1				
4	157--13	12	0769-1	1		3032	2921	111
4	157--14	12	0927-1	32		2215	2071	144

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
4	156--00	12	1835-1	1		4105	3592	513
4	156--02	12	1135-1	1		2477	2277	200
4	156--19	12	0927-1	1		2410	2129	281
4	156--50	12	0769-1	1		2285	2099	186
4	156--61	12	1835-1	1		3023	2891	132
4	156--70	12	R1206-1	1		2961	2475	486
4	156--71	12	1867-1	1		3295	3100	195
4	156--85	12	1837-1	1		2743	2569	174
4	156--97	12	0927-1	1		2485	2162	323
4	156--99	12	0927-1	1		2373	2186	187
4	157--00	12	1837-1	1		2881	2663	218
4	155--91	12	1269-1	33				
4	156--28	12	0867-1	35				
4	156--82	12	1669-1	33				
4	156--84	12	1839-1	33				
4	157--16	12	1569-1	33				
4	157--17	12	1569-1	33				
4	157--18	12	0735-1	32				
4	157--24	12	1839-1	33				
4	157--25	12	1635-1	33				
4	157--39	12	1839-1	33				
4	157--42	12	0867-1	33				
4	157--43	12	1839-1	33				
4	156--49	12	1867-1	1				
4	156--62	12	1839-1	1				
4	156--63	12	1839-1	1				
4	156--95	12	1837-1	1				
4	157--02	12	0569-1	1				
4	157--20	12	0727-1	1				
4	157--22	12	0727-1	1				
4	157--23	12	1835-1	1				
4	157--28	12	1835-1	1				
4	157--30	12	1835-1	1				
4	157--31	12	1835-1	1				
4	157--32	12	1835-1	1				
4	157--33	12	1835-1	1				
4	157--34	12	1835-1	1				
4	157--35	12	1835-1	1				
4	157--36	12	1835-1	1				
4	157--37	12	1835-1	1				
4	157--38	12	1835-1	1				
4	157--39	12	1835-1	1				
4	157--40	12	1835-1	1				
4	157--41	12	1835-1	1				
4	157--42	12	1835-1	1				
4	157--43	12	1835-1	1				
4	157--44	12	1835-1	1				
4	157--45	12	1835-1	1				
4	157--46	12	1835-1	1				
4	157--47	12	1835-1	1				
4	157--48	12	1835-1	1				
4	157--49	12	1835-1	1				
4	157--50	12	1835-1	1				
4	157--51	12	1835-1	1				
4	157--52	12	1835-1	1				
4	157--53	12	1835-1	1				
4	157--54	12	1835-1	1				
4	157--55	12	1835-1	1				
4	157--56	12	1835-1	1				
4	157--57	12	1835-1	1				
4	157--58	12	1835-1	1				
4	157--59	12	1835-1	1				
4	157--60	12	1835-1	1				
4	157--61	12	1835-1	1				
4	157--62	12	1835-1	1				
4	157--63	12	1835-1	1				
4	157--64	12	1835-1	1				
4	157--65	12	1835-1	1				
4	157--66	12	1835-1	1				
4	157--67	12	1835-1	1				
4	157--68	12	1835-1	1				
4	157--69	12	1835-1	1				
4	157--70	12	1835-1	1				
4	157--71	12	1835-1	1				
4	157--72	12	1835-1	1				
4	157--73	12	1835-1	1				
4	157--74	12	1835-1	1				
4	157--75	12	1835-1	1				
4	157--76	12	1835-1	1				
4	157--77	12	1835-1	1				
4	157--78	12	1835-1	1				
4	157--79	12	1835-1	1				
4	157--80	12	1835-1	1				
4	157--81	12	1835-1	1				
4	157--82	12	1835-1	1				
4	157--83	12	1835-1	1				
4	157--84	12	1835-1	1				
4	157--85	12	1835-1	1				
4	157--86	12	1835-1	1				
4	157--87	12	1835-1	1				
4	157--88	12	1835-1	1				
4	157--89	12	1835-1	1				
4	157--90	12	1835-1	1				
4	157--91	12	1835-1	1				
4	157--92	12	1835-1	1				
4	157--93	12	1835-1	1				
4	157--94	12	1835-1	1				
4	157--95	12	1835-1	1				
4	157--96	12	1835-1	1				
4	157--97	12	1835-1	1				
4	157--98	12	1835-1	1				
4	157--99	12	1835-1	1				
4	157--100	12	1835-1	1				
4	157--101	12	1835-1	1				
4	157--102	12	1835-1	1				
4	157--103	12	1835-1	1				
4	157--104	12	1835-1	1				
4	157--105	12	1835-1	1				
4	157--106	12	1835-1	1				
4	157--107	12	1835-1	1				
4	157--108	12	1835-1	1				
4	157--109	12	1835-1	1				
4	157--110	12	1835-1	1				
4	157--111	12	1835-1	1				
4	157--112	12	1835-1	1				
4	157--113	12	1835-1	1				
4	157--114	12	1835-1	1				
4	157--115	12	1835-1	1				
4	157--116	12	1835-1	1				
4	157--117	12	1835-1	1				
4	157--118	12	1835-1	1				
4	157--119	12	1835-1	1				
4	157--120	12	1835-1	1				
4	157--121	12	1835-1	1				
4	157--122	12	1835-1	1				
4	157--123	12	1835-1	1				
4	157--124	12	1835-1	1				
4	157--125	12	1835-1	1				
4	157--126	12	1835-1	1				
4	157--127	12	1835-1	1				
4	157--128	12	1835-1	1				
4	157--129	12	1835-1	1				
4	157--130	12	1835-1	1				
4	157--131	12	1835-1	1				
4	157--132	12	1835-1	1				
4	157--133	12	1835-1	1				
4	157--134	12	1835-1	1				
4	157--135	12	1835-1	1				
4	157--136	12	1835-1	1				
4	157--137	12	1835-1	1				
4	157--138	12	1835-1	1				
4	157--139	12	1835-1	1				
4	157--140	12	1835-1	1				
4	157--141	12	1835-1	1				
4	157--142	12	1835-1	1				
4	157--143	12	1835-1	1				
4	157--144	12	1835-1	1				
4	157--145	12	1835-1	1				
4	157--146	12	1835-1	1				
4	157--147	12	1835-1	1				
4	157--148	12	1835-1	1				
4	157--149	12	1835-1	1				
4	157--150	12	1835-1	1				
4	157--151	12	1835-1	1				
4	157--152	12	1835-1	1				
4	157--153	12	1835-1	1				
4	157--154	12	1835-1	1				
4	157--155	12	1835-1	1				
4	157--156	12	1835-1	1				
4	157--157	12	1835-1	1				
4	157--158	12	1835-1	1				
4	157--159	12	1835-1	1				
4	157--160	12	1835-1	1				
4	157--161	12	1835-1	1				
4	157--162	12	1835-1	1				
4	157--163	12	1835-1	1				
4	157--164	12	1835-1	1				
4	157--165	12	1835-1	1				
4	157--166	12	1835-1	1				
4	157--167	12	1835-1	1				
4	157--168	12	1835-1	1				
4	157--169	12	1835-1	1				
4	157--170	12	1835-1	1				
4	157--171	12	1835-1	1				
4	157--172	12	1835-1	1				
4	157--173	12	1835-1	1				
4	157--174	12	1835-1	1				
4	157--175	12	1835-1	1				
4	157--176	12	1835-1	1				
4	157--177	12	1835-1	1				
4	157--178	12	1835-1	1				
4	157--179	12	1835-1	1				
4	157--180	12	1835-1	1				
4	157--181	12	1835-1	1				
4	157--182	12	1835-1	1				
4	157--183	12	1835-1	1				
4	157--184	12	1835-1	1				
4	157--185	12	1835-1	1				
4	157--186	12	1835-1	1				

[illegible]

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[fol. 1716]

DEALER - COURTESY

DEALER NO.	INVOICE NO.	MONTH SOLD	MODEL NO. 4 AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
								1134

SALE	NO. OF SALES	MARKUP	ARITHMETIC MEAN MARKUP
1	1,573	223	253
2	104	227	231
SUBTOTAL	1,677		
31	104		
32	26		
33	1,148		
34	127		
35	119		
SUBTOTAL	1,524		
OTHER			
TOTAL	3,201		

[fol.1718]

DEALER - GWYNN

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	1--01	1	1111-0	1		2111	1979	132
5	1--02	1	1111-0	1		2102	1979	123
5	1--03	1	0769-0	35				
5	1--04	1	0769-0	33				
5	1--05	1	1635-0	33				
5	1--06	1	0769-0	35				
5	1--07	1	0769-0	35				
5	1--08	1	0769-0	2	1	2369	2073	296
5	1--09	1	1839-0	2	3	3225	2991	234
5	1--10	1	1837-0	33				
5	1--11	1	1135-0	33				
5	1--12	1	1635-0	35				
5	1--13	1	1135-0	33				
5	1--14	1	1839-0	35				
5	1--15	1	1639-0	2	1	3044	2840	204
5	1--16	1	1535-0	2	3	2640	2410	230
5	1--17	1	0867-0	2	1	3757	3417	340
5	1--18	1	1837-0	2	1	2819	2506	313
5	1--19	1	1837-0	2	1	2860	2678	182
5	1--20	1	1837-0	2		2883	2702	181
5	1--21	1	0769-0	1	3	2213	2062	151
5	1--22	1	0569-0	1		2166	2013	153
5	1--23	1	1211-0	1		2468	2286	182
5	1--24	1	1839-0	33				
5	1--25	1	1867-0	33				
5	1--26	1	1635-0	33				
5	1--27	1	1619-0	1				
5	1--28	1	0769-0	1				
5	1--29	1	0867-0	35				
5	1--30	1	1635-0	33				
5	1--31	1	1837-0	1				
5	1--32	1	1837-0	1				
5	1--33	1	1837-0	1				
5	1--34	1	1837-0	1				
5	1--35	1	1837-0	1				
5	1--36	1	1837-0	1				
5	1--37	1	1837-0	1				
5	1--38	1	1837-0	1				
5	1--39	1	1837-0	1				
5	1--40	1	1837-0	1				
5	1--41	1	1837-0	1				
5	1--42	1	1837-0	1				
5	1--43	1	1837-0	1				
5	1--44	1	1837-0	1				
5	1--45	1	1837-0	1				
5	1--46	1	1837-0	1				
5	1--47	1	1837-0	1				
5	1--48	1	1837-0	1				
5	1--49	1	1837-0	1				
5	1--50	1	1837-0	1				
5	1--51	1	1837-0	1				
5	1--52	1	1837-0	1				
5	1--53	1	1837-0	1				
5	1--54	1	1837-0	1				
5	1--55	1	1837-0	1				
5	1--56	1	1837-0	1				
5	1--57	1	1837-0	1				
5	1--58	1	1837-0	1				
5	1--59	1	1837-0	1				
5	1--60	1	1837-0	1				
5	1--61	1	1837-0	1				
5	1--62	1	1837-0	1				
5	1--63	1	1837-0	1				
5	1--64	1	1837-0	1				
5	1--65	1	1837-0	1				
5	1--66	1	1837-0	1				
5	1--67	1	1837-0	1				
5	1--68	1	1837-0	1				
5	1--69	1	1837-0	1				
5	1--70	1	1837-0	1				
5	1--71	1	1837-0	1				
5	1--72	1	1837-0	1				
5	1--73	1	1837-0	1				
5	1--74	1	1837-0	1				
5	1--75	1	1837-0	1				
5	1--76	1	1837-0	1				
5	1--77	1	1837-0	1				
5	1--78	1	1837-0	1				
5	1--79	1	1837-0	1				
5	1--80	1	1837-0	1				
5	1--81	1	1837-0	1				
5	1--82	1	1837-0	1				
5	1--83	1	1837-0	1				
5	1--84	1	1837-0	1				
5	1--85	1	1837-0	1				
5	1--86	1	1837-0	1				
5	1--87	1	1837-0	1				
5	1--88	1	1837-0	1				
5	1--89	1	1837-0	1				
5	1--90	1	1837-0	1				
5	1--91	1	1837-0	1				
5	1--92	1	1837-0	1				
5	1--93	1	1837-0	1				
5	1--94	1	1837-0	1				
5	1--95	1	1837-0	1				
5	1--96	1	1837-0	1				
5	1--97	1	1837-0	1				
5	1--98	1	1837-0	1				
5	1--99	1	1837-0	1				
5	1--100	1	1837-0	1				

SELLING

MODEL NO.

NO.

LINE

NO.

PG.

DEALER

NO.

MODEL

NO.

LINE

NO.

PG.

DEALER

NO.

MODEL

NO.

[fol. 1720]

DEALER - GWYNN

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	3--03	1	1119-0	1		2141	1940	201
5	3--04	1	1837-0	1		2792	2545	247
5	3--05	1	1619-9	31				
5	3--06	1	0769-0	1		2299	2090	209
5	3--07	1	0769-0	1		2335	2073	262
5	3--08	1	1837-0	1		2781	2417	364
5	3--10	1	0569-0	2		2264	2035	229
5	3--11	1	1837-0	35	3			
5	3--12	1	1111-0	1		2035	1877	158
5	3--13	1	1645-0	33				
5	3--14	1	1837-0	33				
5	3--15	1	1839-0	33				
5	4--01	2	0569-0	33				
5	4--02	2	1837-0	33				
5	4--03	2	0769-0	33				
5	4--04	2	1511-0	1		2458	2293	165
5	4--05	2	1111-0	1		2194	2085	109
5	4--06	2	1837-0	2	3	2854	2655	199
5	4--07	2	1839-0	1		3181	3024	157
5	4--08	2	1211-0	1		2390	2270	120
5	4--09	2	1839-0	33				
5	4--10	2	1635-0	33				
5	4--11	2	1837-0	1		2891	2652	239
5	4--12	2	0569-0	33				
5	4--13	2	1837-0	33				
5	4--14	2	1839-0	33				
5	4--15	2	0769-0	35				
5	4--16	2	1637-0	1		2619	2466	153
5	4--17	2	1835-0	33				
5	4--18	2	1839-0	35				
5	4--19	2	1637-0	1				
5	4--20	2	1837-0	1		2140	1912	228
5	4--21	2	1837-0	1		2792	2684	112

DEALER

MODEL NO.

112

2684

2796

1837-0

11-30

2

DEALER NO.	P.G. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SEEKING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	4--22	2	1867-0	33				
5	4--23	2	1111-0	2	1	2329	2107	222
5	4--24	2	1837-0	35				
5	5--01	2	1867-0	33				
5	5--02	2	1837-0	1		2942	2584	358
5	5--03	2	1211-0	1		2422	2170	252
5	5--04	2	0769-0	1		2230	2073	157
5	5--05	2	0727-0	1		2314	2038	276
5	5--06	2	0527-0	1		2242	1973	269
5	5--07	2	1837-0	33				
5	5--08	2	1235-0	1		2963	2505	458
5	5--09	2	0769-0	1		2249	2073	176
5	5--10	2	1837-0	1		2921	2601	320
5	5--11	2	1839-0	1		2992	2760	232
5	5--12	2	1837-0	1		2298	1955	343
5	5--13	2	1837-0	33				
5	5--14	2	0769-0	33		3317	2766	551
5	5--15	2	1837-0	1				
5	5--16	2	1645-9	31				
5	5--17	2	1619-9	31				
5	5--18	2	1635-9	31				
5	5--19	2	0769-0	33				
5	5--20	2	1519-0	1		2360	2140	220
5	5--21	2	0769-0	1		2302	2096	206
5	5--22	2	0569-0	1		2071	1868	203
5	5--23	2	0727-0	1		2314	2038	276
5	5--24	2	1619-0	1		2798	2474	324
5	5--25	2	0527-0	1		2178	1858	320
5	5--26	2	0569-0	1		2237	1934	303
5	5--27	2	1837-0	1		2898	2691	207
5	5--28	2	0727-0	1		2232	1897	335
5	5--29	2	0727-0	1		2307	2043	264
5	5--30	2	1835-0	1		3438	3109	329

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	5--31	2	0769-0	1		2390	2106	284
5	5--32	2	0867-0	1		3942	3601	341
5	6--01	2	1837-0	1		2697	2609	88
5	6--02	2	1235-0	33				
5	6--03	2	0727-0	1		2310	2057	253
5	6--04	2	1211-0	1		2662	2036	626
5	6--05	2	0527-0	1		2249	1935	314
5	6--06	2	1837-0	1		3384	2672	712
5	6--07	2	1235-0	33				
5	6--08	2	1645-9	31		2880	2602	278
5	6--09	2	1639-0	1				
5	6--10	2	1819-9	31				
5	6--11	2	0769-0	1		2525	2168	357
5	6--12	2	1837-0	1		2732	2566	166
5	6--13	2	0727-0	1		2267	2006	261
5	6--14	2	0727-0	1		2168	1891	277
5	6--15	2	1839-0	1		2701	2568	133
5	6--16	2	0727-0	1		2279	2034	245
5	6--17	2	0727-0	1		2328	2034	294
5	6--18	2	1519-0	1		2570	2328	242
5	6--19	2	0769-0	1		2293	2053	240
5	6--20	2	1235-0	33				
5	6--21	2	0867-0	1		4200	3790	410
5	6--22	2	1219-0	33				
5	6--23	2	1837-0	1		2896	2637	259
5	6--24	2	0727-0	1		2060	1841	219
5	6--25	2	0769-0	1		2290	2078	212
5	6--26	2	0769-0	1		2254	2078	176
5	6--27	2	1819-0	1		2874	2680	194
5	6--28	2	1111-0	1		2188	1898	290
5	6--29	2	0727-0	1		2260	1924	336
5	6--30	2	0727-0	1				
5	6--31	2	0727-0	1				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	6--32	2	1737-0	1		2621	2300	321
5	7--01	2	0727-0	1		2350	2138	212
5	7--02	2	1635-9	31				
5	7--03	2	1837-0	1				
5	7--04	2	1837-0	1		2910	2582	328
5	7--05	2	0769-0	1		2826	2533	293
5	7--06	2	0769-0	1		2137	2003	134
5	7--07	2	1719-0	1		2333	2073	260
5	7--08	2	1837-0	1		2734	2518	216
5	7--09	2	1637-0	1		2540	2361	179
5	7--10	2	1839-0	1		2684	2472	212
5	7--11	2	1235-0	1		3083	2754	329
5	7--12	2	1837-0	1		2717	2505	212
5	7--13	2	0769-0	1		3128	2776	352
5	7--14	2	0769-0	1		2286	2081	205
5	7--15	2	1839-0	1		2138	1948	190
5	7--16	2	0769-0	1		3045	2680	365
5	7--17	2	1839-0	1		2351	2101	250
5	8--01	3	052-0	33		3276	2835	441
5	8--02	3	1837-0	33				
5	8--03	3	1837-0	33				
5	8--04	3	1645-0	33				
5	8--05	3	0569-0	33				
5	8--06	3	1835-0	1				
5	8--07	3	0727-0	1		3358	3241	117
5	8--08	3	0727-0	33		2254	2043	211
5	8--09	3	1867-0	1				
5	8--10	3	1537-0	1		2875	2787	88
5	8--11	3	0769-0	1		2463	2329	134
5	8--12	3	0727-0	35		2233	2095	138
5	8--13	3	0527-0	1				
5	8--14	3	0769-0	33		1916	1784	132
5	8--15	3	0527-0	33				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MOD'L NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	8--16	3	1837-0	33		2922	2709	213
5	8--17	3	1837-0	2	3			
5	8--18	3	1837-0	33		2805	2755	50
5	8--19	3	1839-0	1		2205	2095	110
5	8--20	3	0769-0	1				
5	8--21	3	1635-0	33				
5	8--22	3	0769-0	1		2198	2079	119
5	8--23	3	1611-0	1		2456	2375	81
5	8--24	3	1235-0	1		2763	2644	119
5	8--25	3	1235-0	1		2786	2679	107
5	8--26	3	1519-0	1		2461	2322	139
5	8--27	3	1115-0	2	3	2513	2210	303
5	8--28	3	1837-0	33				
5	8--29	3	0569-0	33				
5	8--30	3	1867-0	1		2994	2829	165
5	8--31	3	0769-0	1		2024	1926	98
5	8--32	3	1837-0	1		2800	2636	164
5	9--01	3	1219-0	33				
5	9--02	3	0769-0	1		2252	2048	204
5	9--03	3	0769-0	1		2189	2086	103
5	9--04	3	1837-0	1		3312	2938	374
5	9--05	3	1111-0	1		2300	1955	345
5	9--06	3	0569-0	1		2170	1980	190
5	9--07	3	0727-0	1		2301	2043	258
5	9--08	3	0867-0	1		4003	3688	315
5	9--09	3	1839-0	1		2898	2650	248
5	9--10	3	1235-9	31				
5	9--11	3	1837-0	1		2788	2566	222
5	9--12	3	0727-0	1		2352	2057	295
5	9--13	3	0727-0	1		2076	1914	162
5	9--14	3	1937-0	1		2904	2567	341
5	9--15	3	0769-0	1		2304	2101	203

DEALER NO.	PG. -	LINE NO.	DEALER NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE*	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	9--17	3	1635-9	31				2345	2130	215
5	9--18	3	1119-0	1				2264	2029	235
5	9--19	3	0727-0	1				2950	2662	288
5	9--20	3	1839-0	1				2318	2086	232
5	9--21	3	0769-0	1				2254	2096	158
5	9--22	3	1519-0	1				2366	2043	323
5	9--23	3	0727-0	1				2285	2090	195
5	9--24	3	0769-0	1				2293	2057	236
5	9--25	3	1211-0	1				2879	2623	256
5	9--26	3	1837-0	1				2862	2595	267
5	9--27	3	1819-0	1				2592	2260	332
5	9--28	3	1519-0	1				2768	2540	228
5	9--29	3	1215-0	1				2329	2101	228
5	9--30	3	0769-0	1				3188	2989	199
5	9--31	3	1835-0	1				2238	2022	216
5	9--32	3	0727-0	1				2283	2034	249
5	10--01	3	0727-0	1				2959	2740	219
5	10--02	3	1635-0	1				3471	3238	233
5	10--03	3	0867-0	1				2959	2859	100
5	10--04	3	1837-0	1				3004	2836	168
5	10--05	3	1837-0	1				2766	2533	233
5	10--06	3	1819-0	1				2754	2532	222
5	10--07	3	1111-0	1				2383	2109	274
5	10--08	3	0867-0	1				3771	3538	233
5	10--09	3	0727-0	1				2296	2018	278
5	10--10	3	1637-0	1				2952	2696	256
5	10--11	3	1837-0	1				2980	2705	275
5	10--12	3	0727-0	1				2057	1895	162
5	10--13	3	0727-0	33						
5	10--14	3	0727-0	1						
5	10--15	3	0769-0	1						
5	10--16	3	0769-0	1						
5	10--17	3	1837-0	1						
5								2327	2078	249
5								2390	2101	289
5								2959	2750	209

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - GWYNN

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	10--18	3	1867-0	1		3124	2900	224
5	10--19	3	0727-0	1		2250	2034	216
5	10--20	3	1511-0	33				
5	10--21	3	1867-0	1		2925	2508	417
5	10--22	3	0727-0	1		2239	2057	182
5	10--23	3	1537-0	1		2571	2299	272
5	10--24	3	1611-0	1		2505	2366	139
5	10--25	3	1837-0	1		3058	2826	232
5	10--26	3	1511-0	1		2432	2223	209
5	10--27	3	1115-0	33				
5	10--28	3	1111-0	1		2081	1966	115
5	10--30	3	0727-0	1		2123	1920	203
5	10--31	3	0727-0	1		2247	2057	190
5	10--32	3	0727-0	1		2277	2051	226
5	11--01	3	1535-0	1		2764	2481	283
5	11--02	3	1211-0	1		2413	2191	222
5	11--03	3	0769-0	1		2332	2063	269
5	11--04	3	0727-0	1		2251	2057	194
5	11--05	3	1837-0	1		2987	2812	175
5	11--06	3	1839-0	1		2833	2705	128
5	11--07	3	1111-0	1		2160	1964	196
5	11--08	3	0727-0	1		2233	2009	224
5	11--09	3	1839-0	1		3036	2712	324
5	11--10	3	1211-0	1		2460	2244	216
5	11--11	3	0727-0	33	3			
5	11--15	3	1837-0	2		2683	2467	216
5	11--16	3	1837-0	33				
5	11--17	3	1219-0	33				
5	11--18	3	1819-0	33	1	2240	2078	162
5	11--19	3	0769-0	2				
5	11--20	3	0527-0	33				
5	11--21	3	1435-0	1				
5	11--22	3	1435-0	1				
5	11--23	3	1435-0	1				
5	11--24	3	1435-0	1				
5	11--25	3	1435-0	1				
5	11--26	3	1435-0	1				
5	11--27	3	1435-0	1				
5	11--28	3	1435-0	1				
5	11--29	3	1435-0	1				
5	11--30	3	1435-0	1				
5	11--31	3	1435-0	1				
5	11--32	3	1435-0	1				
5	11--33	3	1435-0	1				
5	11--34	3	1435-0	1				
5	11--35	3	1435-0	1				
5	11--36	3	1435-0	1				
5	11--37	3	1435-0	1				
5	11--38	3	1435-0	1				
5	11--39	3	1435-0	1				
5	11--40	3	1435-0	1				
5	11--41	3	1435-0	1				
5	11--42	3	1435-0	1				
5	11--43	3	1435-0	1				
5	11--44	3	1435-0	1				
5	11--45	3	1435-0	1				
5	11--46	3	1435-0	1				
5	11--47	3	1435-0	1				
5	11--48	3	1435-0	1				
5	11--49	3	1435-0	1				
5	11--50	3	1435-0	1				
5	11--51	3	1435-0	1				
5	11--52	3	1435-0	1				
5	11--53	3	1435-0	1				
5	11--54	3	1435-0	1				
5	11--55	3	1435-0	1				
5	11--56	3	1435-0	1				
5	11--57	3	1435-0	1				
5	11--58	3	1435-0	1				
5	11--59	3	1435-0	1				
5	11--60	3	1435-0	1				
5	11--61	3	1435-0	1				
5	11--62	3	1435-0	1				
5	11--63	3	1435-0	1				
5	11--64	3	1435-0	1				
5	11--65	3	1435-0	1				
5	11--66	3	1435-0	1				
5	11--67	3	1435-0	1				
5	11--68	3	1435-0	1				
5	11--69	3	1435-0	1				
5	11--70	3	1435-0	1				
5	11--71	3	1435-0	1				
5	11--72	3	1435-0	1				
5	11--73	3	1435-0	1				
5	11--74	3	1435-0	1				
5	11--75	3	1435-0	1				
5	11--76	3	1435-0	1				
5	11--77	3	1435-0	1				
5	11--78	3	1435-0	1				
5	11--79	3	1435-0	1				
5	11--80	3	1435-0	1				
5	11--81	3	1435-0	1				
5	11--82	3	1435-0	1				
5	11--83	3	1435-0	1				
5	11--84	3	1435-0	1				
5	11--85	3	1435-0	1				
5	11--86	3	1435-0	1				
5	11--87	3	1435-0	1				
5	11--88	3	1435-0	1				
5	11--89	3	1435-0	1				
5	11--90	3	1435-0	1				
5	11--91	3	1435-0	1				
5	11--92	3	1435-0	1				
5	11--93	3	1435-0	1				
5	11--94	3	1435-0	1				
5	11--95	3	1435-0	1				
5	11--96	3	1435-0	1				
5	11--97	3	1435-0	1				
5	11--98	3	1435-0	1				
5	11--99	3	1435-0	1				
5	11--100	3	1435-0	1				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	13--12	4	0727-0	1		2293	2023	270
5	13--13	4	0727-0	1		2310	1939	371
5	13--14	4	1839-0	1		3054	2850	204
5	13--15	4	0769-0	1		2257	2095	162
5	13--16	4	0727-0	1		2287	2061	226
5	13--17	4	1839-0	1		2986	2787	199
5	13--18	4	0527-0	1		2062	1825	237
5	13--19	4	0727-0	1		2236	2037	199
5	13--20	4	1219-0	1		2279	2118	161
5	13--21	4	0727-0	1		2335	2045	290
5	13--22	4	0527-0	1		2304	1995	309
5	13--23	4	0727-0	1		2418	2066	352
5	13--24	4	1635-0	33		2223	2011	212
5	13--25	4	1519-0	1		2933	2658	275
5	13--26	4	1837-0	1		2293	2029	264
5	13--27	4	0569-0	1		2297	2133	164
5	13--28	4	1111-0	1		2964	2749	215
5	13--29	4	1837-0	1		2456	2230	226
5	13--30	4	1211-0	1		2700	2450	250
5	13--31	4	1637-0	1				
5	13--32	4	1119-0	33		3539	3320	219
5	14--01	4	1835-0	1		2318	2086	232
5	14--02	4	0769-0	1		2180	2049	131
5	14--03	4	0727-0	1		2774	2571	203
5	14--04	4	1837-0	1		2178	2013	165
5	14--05	4	0769-0	1		3012	2529	483
5	14--06	4	1837-0	1		2790	2535	255
5	14--07	4	1635-0	1		2218	2034	184
5	14--08	4	0769-0	1		2821	2577	244
5	14--09	4	1837-0	1		2310	2050	260
5	14--10	4	0769-0	1		2296	2072	318
5	14--11	4	1111-0	1		2296	1960	356

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	14--13	4	1837-0	1		2959	2690	269
5	14--14	4	0527-0	1		1985	1780	205
5	14--15	4	0527-0	1		2346	2151	195
5	14--16	4	0727-0	1		2275	2057	218
5	14--17	4	1211-0	1		2504	2190	314
5	14--18	4	1837-0	1		2818	2608	210
5	14--19	4	0769-0	1		2262	2078	184
5	14--20	4	0727-0	1		2129	1911	218
5	14--21	4	0727-0	1		2199	2053	146
5	14--22	4	1839-0	1		2984	2703	281
5	14--23	4	1511-0	1		2285	2056	229
5	14--24	4	0769-0	1		2272	2078	194
5	14--25	4	1539-0	1		2622	2356	266
5	14--26	4	0769-0	1		2246	2039	207
5	14--27	4	1839-0	1		3057	2754	303
5	14--28	4	0569-0	1		2243	2034	209
5	14--29	4	0727-0	1		2231	2059	172
5	14--30	4	1511-0	33				
5	14--31	4	1511-0	33				
5	14--32	4	1511-0	33				
5	15--01	4	0569-0	1		2201	1886	315
5	15--02	4	1635-0	1		3155	2843	312
5	15--03	4	1839-0	1		3265	3034	231
5	15--04	4	1837-0	1		3074	2675	399
5	15--05	4	0727-0	1		2273	2072	201
5	15--06	4	0727-0	1		2628	2043	585
5	15--07	4	1837-0	1		2866	2562	304
5	15--08	4	1839-0	1		2937	2690	247
5	15--09	4	1837-0	1		2937	2690	247
5	16--01	5	1839-0	2		3200	2962	238
5	16--02	5	1119-0	1		2800	2686	114
5	16--03	5	1111-0	1		2319	2178	141
5	16--04	5	1837-0	1		2073	1975	98
5						2575	2470	105

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	16--05	5	1219-0	33		2812	2706	106
5	16--06	5	1635-0	1		2855	2720	135
5	16--07	5	1839-0	1		2748	2582	166
5	16--08	5	1837-0	2	3	2615	2479	136
5	16--09	5	1637-0	2	3	2611	2454	157
5	16--10	5	1637-0	2	3	2669	2613	56
5	16--11	5	1837-0	1				
5	16--12	5	1837-0	33				
5	16--13	5	1619-0	35		2780	2542	238
5	16--14	5	1837-0	1				
5	16--15	5	1635-0	35				
5	16--16	5	1619-0	1		2830	2738	92
5	16--17	5	1637-0	1		3060	2968	92
5	16--18	5	0769-0	33				
5	16--19	5	0727-0	1		2205	2056	149
5	16--20	5	1839-0	33				
5	16--21	5	1835-0	1		3153	2996	157
5	16--22	5	1235-0	2		2728	2505	223
5	16--23	5	1837-0	1	3	2892	2801	91
5	17--01	5	0769-0	1		2313	2123	190
5	17--02	5	1837-0	1		3040	2612	428
5	17--03	5	0727-0	1		2301	2076	225
5	17--04	5	0727-0	1		2270	2034	236
5	17--05	5	1839-0	1		2926	2676	250
5	17--06	5	1837-0	1		2874	2564	310
5	17--07	5	1837-0	1		2940	2694	246
5	17--08	5	0727-0	1		2422	2049	373
5	17--09	5	1111-0	1		2214	1987	227
5	17--10	5	0727-0	1		2200	1905	295
5	17--11	5	0727-0	1		2238	2072	166
5	17--12	5	1645-0	1		3106	2876	230
5	17--13	5	1645-0	1		2155	2009	186
5	17--14	5	1645-0	1		2020	2009	186
5	17--15	5	1645-0	1		2020	2009	186

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DEALER PG. - LINE NO. MONTH MODEL NO. SELLING PRICE TO CUSTOMER

DEALER NO.	P.G. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	17--15	5	0769-0	2	3	2298	1955	343
5	17--16	5	0527-0	1		2249	1914	335
5	17--17	5	0727-0	1		2290	1824	466
5	17--18	5	0727-0	1		2163	2018	145
5	17--19	5	1135-0	1		2685	2435	250
5	17--20	5	1121-0	1		2089	1895	194
5	17--21	5	0769-0	1		2419	2113	306
5	17--22	5	0727-0	1		2232	2056	176
5	17--23	5	1837-0	1		2808	2581	227
5	17--24	5	0727-0	1		2341	2034	307
5	17--25	5	0867-0	1		3844	3655	189
5	17--26	5	1635-0	1		2894	2644	250
5	17--27	5	1611-0	1		2407	2280	127
5	17--28	5	1867-0	1		2772	2529	243
5	17--29	5	1867-0	1		2987	2766	221
5	17--30	5	0769-0	1		2231	2085	146
5	17--31	5	0769-0	1		2364	2120	244
5	17--32	5	1119-0	33				
5	18--01	5	0769-0	1		2329	2091	238
5	18--02	5	0569-0	1		2533	2205	328
5	18--03	5	1837-0	1		2951	2676	275
5	18--04	5	0727-0	1		2225	2049	176
5	18--05	5	1111-0	1		2385	1953	432
5	18--06	5	0727-0	1		2269	2044	225
5	18--07	5	0769-0	1		2286	2078	208
5	18--08	5	0769-0	1		2512	2115	397
5	18--09	5	0569-0	1		2054	1841	213
5	18--10	5	0769-0	1		2366	2155	211
5	18--11	5	1837-0	1		2925	2672	253
5	18--12	5	0569-0	1		1954	1769	185
5	18--13	5	1837-0	1		2721	2486	235
5	18--14	5	1619-0	1		2572	2443	129
5	18--15	5	1115-0	1		2528	2289	239

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	18--16	5	1111-0	1		2114	1953	161
5	19--01	6	1635-0	2		2897	2697	200
5	19--02	6	1637-0	1		2585	2495	90
5	19--03	6	1111-0	35				
5	19--04	6	0727-0	1				
5	19--05	6	1211-0	33		2152	2049	103
5	19--06	6	0769-0	33				
5	19--07	6	1211-0	33				
5	19--08	6	1619-0	33				
5	19--10	6	1837-0	1		2590	2517	73
5	19--11	6	1839-0	1		2777	2666	111
5	19--12	6	1219-0	1		2725	2611	114
5	19--13	6	1737-0	1		2479	2266	213
5	19--14	6	1837-0	35				
5	19--15	6	1635-0	33				
5	19--16	6	1635-0	35				
5	19--17	6	1837-0	1				
5	19--18	6	1867-0	35		2752	2635	117
5	19--19	6	1219-0	33				
5	19--20	6	1219-0	33				
5	19--21	6	1837-0	2		2943	2724	219
5	19--22	6	1837-0	1	3	2709	2580	129
5	20--01	6	1115-0	1		2678	2387	291
5	20--02	6	0527-0	1		2079	1956	123
5	20--03	6	1219-0	1		2406	2227	179
5	20--04	6	0769-0	1		2049	1838	211
5	20--05	6	1837-0	1		2847	2638	209
5	20--06	6	0727-0	1		2191	1886	305
5	20--07	6	0727-0	1		2421	2038	383
5	20--08	6	1639-0	33				
5	20--09	6	1837-0	1		2775	2586	189
5	20--10	6	0527-0	1		2768	2572	202

SELLING

MODEL NO.

MONTH

PG. - LINE NO.

DEALER

DEALER NO.	P.S. - LINE NO.	MONTH SOLD	YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	20--12	6	1635-0	1		2924	2675	249
5	20--13	6	0727-0	1		2362	2062	300
5	20--14	6	0727-0	1		2204	2020	184
5	20--15	6	1211-0	1		2262	2043	219
5	20--16	6	1119-0	1		2321	2172	149
5	20--17	6	0527-0	1		2275	2135	140
5	20--18	6	0727-0	1		2125	2033	92
5	20--19	6	1611-0	1		2479	2311	168
5	20--20	6	0727-0	1		2332	2049	283
5	20--21	6	1837-0	33				
5	20--22	6	0727-0	1		2400	2072	328
5	20--23	6	0727-0	1		2370	2049	321
5	20--24	6	0727-0	1		2117	1913	204
5	20--25	6	0727-0	1				
5	20--26	6	1511-0	33				
5	20--27	6	1511-0	33				
5	20--28	6	0769-0	1		2279	2078	201
5	20--29	6	1837-0	1		2930	2688	242
5	20--30	6	0867-0	1		3750	3396	354
5	20--31	6	0727-0	1		2108	1880	228
5	20--32	6	1111-0	1		2083	1875	208
5	21--01	6	1635-0	1		3187	2849	338
5	21--02	6	1511-0	1		2325	2077	248
5	21--03	6	1837-0	1		2760	2622	138
5	21--04	6	1519-0	1		2303	2089	214
5	21--05	6	0727-0	1		2137	1916	221
5	21--06	6	1215-0	1		2601	2298	303
5	21--07	6	1111-0	1		2277	2038	239
5	21--08	6	0569-0	1		2214	2054	160
5	21--09	6	1545-0	1		2280	2026	254
5	21--10	6	1867-0	1		2989	2677	312
5	21--11	6	0769-0	33				
5	21--12	6	1837-0	1		2294	2061	233
5				1		2946	2554	392

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DEALER - GWYNN

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	21--13	6	0727-0	1		2370	2049	321
5	21--14	6	0569-0	33				430
5	21--15	6	0569-0	33		2343	1913	134
5	21--16	6	0727-0	1		2228	2094	289
5	21--17	6	0769-0	1		2361	2072	272
5	21--18	6	0727-0	1		2217	1945	171
5	21--19	6	0569-0	1		2111	1940	165
5	21--20	6	0527-0	1		2227	2062	225
5	21--21	6	0727-0	1		2875	2650	304
5	21--22	6	1837-0	1		2333	2029	272
5	21--23	6	0569-0	1		2333	2061	229
5	21--24	6	0769-0	1		2330	2101	204
5	21--25	6	0769-0	1		2200	1996	109
5	21--26	6	0769-0	1		2183	2074	109
5	22--01	7	0727-0	1		2758	2649	131
5	22--02	7	1837-0	1		2212	2081	161
5	22--03	7	0769-0	1	3	2227	2066	24
5	22--04	7	0927-0	2		2264	2240	150
5	22--05	7	0927-0	1		2879	2729	163
5	22--06	7	1837-0	1	3	2398	2235	133
5	22--07	7	1519-0	2		2234	2101	238
5	22--08	7	0769-0	1		2266	2028	176
5	22--09	7	0769-0	1		2713	2537	228
5	22--10	7	1819-0	1	3	3122	2894	114
5	22--11	7	1645-0	2		2040	1926	138
5	22--12	7	0727-0	1	1	2164	2026	248
5	22--13	7	0927-0	2		3175	2927	242
5	22--14	7	1839-0	1	3	2641	2399	169
5	22--15	7	1535-0	2		2904	2735	
5	22--16	7	1839-0	1				
5	22--17	7	1839-0	1				
5	22--18	7	1839-0	1				
5	22--19	7	1839-0	1				
5	22--20	7	1839-0	1				
5	22--21	7	1839-0	1				
5	22--22	7	1839-0	1				
5	22--23	7	1839-0	1				
5	22--24	7	1839-0	1				
5	22--25	7	1839-0	1				
5	22--26	7	1839-0	1				
5	22--27	7	1839-0	1				
5	22--28	7	1839-0	1				
5	22--29	7	1839-0	1				
5	22--30	7	1839-0	1				
5	22--31	7	1839-0	1				
5	22--32	7	1839-0	1				
5	22--33	7	1839-0	1				
5	22--34	7	1839-0	1				
5	22--35	7	1839-0	1				
5	22--36	7	1839-0	1				
5	22--37	7	1839-0	1				
5	22--38	7	1839-0	1				
5	22--39	7	1839-0	1				
5	22--40	7	1839-0	1				
5	22--41	7	1839-0	1				
5	22--42	7	1839-0	1				
5	22--43	7	1839-0	1				
5	22--44	7	1839-0	1				
5	22--45	7	1839-0	1				
5	22--46	7	1839-0	1				
5	22--47	7	1839-0	1				
5	22--48	7	1839-0	1				
5	22--49	7	1839-0	1				
5	22--50	7	1839-0	1				
5	22--51	7	1839-0	1				
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5	22--67	7	1839-0	1				
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5	22--72	7	1839-0	1				
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5	22--95	7	1839-0	1				
5	22--96	7	1839-0	1				
5	22--97	7	1839-0	1				
5	22--98	7	1839-0	1				
5	22--99	7	1839-0	1				
5	22--100	7	1839-0	1				

NET

MODEL NO.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	22--20	7	1837-0	35		2141	2048	93
5	22--21	7	0769-0	1				
5	22--22	7	1511-0	33				
5	22--23	7	0769-0	35				
5	22--24	7	1235-0	1				
5	22--25	7	1837-0	1		2762	2618	144
5	23--01	7	1219-0	1		2720	2625	95
5	23--02	7	0727-0	1		2560	2323	237
5	23--03	7	0927-0	1		2313	2079	234
5	23--04	7	0769-0	1		2458	2201	257
5	23--05	7	1635-0	1		2320	2035	285
5	23--06	7	1115-0	1		3254	2838	416
5	23--07	7	1115-0	1		2300	2196	104
5	23--08	7	1867-0	1		2653	2447	206
5	23--09	7	0927-0	1		3175	2863	312
5	23--10	7	1121-0	1		2714	2244	470
5	23--11	7	0727-0	1		2360	2148	212
5	23--12	7	1635-0	1		2283	2057	226
5	23--13	7	1835-0	1		2951	2797	154
5	23--14	7	1511-0	33		3622	3252	370
5	23--15	7	1839-0	1		3005	2626	379
5	23--16	7	0769-0	1		2243	2078	165
5	23--17	7	1839-0	33				
5	23--18	7	1219-0	1				
5	23--19	7	0769-0	1		2381	2214	167
5	23--20	7	0727-0	1		2304	2061	243
5	23--21	7	0769-0	1		2226	1926	300
5	23--22	7	0927-0	1		2145	1982	163
5	23--23	7	0569-0	1		2698	2255	443
5	23--24	7	0927-0	1		2172	1857	315
5	23--25	7	1839-0	33		2450	2087	363
5	23--26	7	1635-0	1				
5	23--27	7	1111-0	1		3570	3160	410
						2110	1965	145

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MO. TH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	23--28	7	1837-0	1		3000	2608	392
5	23--29	7	1837-0	1		2967	2798	169
5	23--30	7	0727-0	1		2272	2056	216
5	23--31	7	1535-0	1		2774	2541	233
5	23--32	7	1135-0	1		2636	2413	223
5	24--01	7	0769-0	1		2291	2072	219
5	24--02	7	0769-0	1		2150	1955	195
5	24--03	7	1635-0	2	3	3097	2730	367
5	24--04	7	1635-0	1		3267	2958	309
5	24--05	7	0527-0	1		2330	2106	224
5	24--06	7	0927-0	1		3006	2555	451
5	24--07	7	0727-0	1		2153	1951	202
5	24--08	7	0527-0	1		2157	1962	195
5	24--09	7	1519-0	1		2712	2244	468
5	24--10	7	1111-0	1		2351	2168	183
5	24--11	7	0927-0	1		2535	2069	466
5	24--12	7	1837-0	1		2829	2683	146
5	24--13	7	1837-0	1		2812	2612	200
5	24--14	7	0727-0	1		2375	1951	424
5	24--15	7	0727-0	1		2178	1951	227
5	24--16	7	0727-0	1		2403	2159	244
5	24--17	7	1837-0	1		2879	2673	206
5	24--18	7	1839-0	1		3223	3090	133
5	24--19	7	1619-0	1		2658	2368	290
5	24--20	7	1635-0	1		3000	2787	213
5	24--21	7	1819-0	1		2984	2659	325
5	24--22	7	1837-0	1		2723	2539	184
5	24--23	7	0527-0	1		2203	1954	249
5	24--24	7	0769-0	1		3300	2086	231
5	24--25	7	1867-0	1		2776	3021	279
5	24--26	7	1839-0	1		2211	2623	153
5	24--27	7	0727-0	1		2211	2014	197
5	24--28	7	0727-0	2		2211	2450	112

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	25--03	8	1635-0	1		2912	2753	159
5	25--04	8	1535-0	1		2468	2375	93
5	25--05	8	1837-0	2	3	2792	2608	184
5	25--06	8	1839-0	2	3	2936	2715	221
5	25--07	8	1111-0	1		2041	1948	93
5	25--08	8	0727-0	1		1983	1889	94
5	26--01	8	1119-0	1		2343	2118	225
5	26--02	8	1635-0	1		2920	2803	187
5	26--03	8	1511-0	1		2418	2201	217
5	26--04	8	1235-0	1		2796	2490	306
5	26--05	8	0769-0	1		2421	2086	335
5	26--06	8	1635-0	33				
5	26--07	8	0727-0	1		2189	1935	254
5	26--08	8	0569-0	1		2239	2020	219
5	26--09	8	0727-0	1		2309	2072	237
5	26--10	8	1635-0	1		3082	2828	254
5	26--11	8	0769-0	1		2329	2092	237
5	26--12	8	0727-0	1		2202	1911	291
5	26--13	8	1867-0	1		3093	2846	247
5	26--14	8	0769-0	1		2344	2114	230
5	26--15	8	1119-0	1		2401	2188	213
5	26--16	8	1837-0	1		3047	2675	372
5	26--17	8	1115-0	1		2464	2202	262
5	26--18	8	1839-0	1		2888	2648	240
5	26--19	8	1839-0	1		2972	2744	228
5	26--20	8	0569-0	1		2375	2090	285
5	26--21	8	0927-0	1		2700	2194	506
5	26--22	8	0727-0	1		2271	2041	230
5	26--23	8	0727-0	1		2188	2009	179
5	26--24	8	1637-0	1		2666	2400	266
5	26--25	8	1835-0	1		3120	2821	299
5	26--26	8	1611-0	1		2675	2309	366
5	26--27	8	0727-0	1		2271	1931	340

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[fol. 1738]

DEALER - GWYNN

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	26--28	8	0569-0	1		2265	2029	236
5	26--29	8	1839-0	1		2996	2676	320
5	26--30	8	0927-0	1		2624	2219	405
5	26--31	8	0769-0	1		2458	2067	391
5	26--32	8	1219-0	1		2208	2107	101
5	27--01	8	0727-0	1		2221	1951	270
5	27--02	8	0867-0	1		3797	3597	200
5	27--03	8	0769-0	1		2237	1972	265
5	27--04	8	1645-0	1		3160	2895	265
5	27--05	8	0867-0	1		3935	3605	330
5	27--06	8	0727-0	32		2684	2351	333
5	27--07	8	1837-0	1		2877	2578	299
5	27--08	8	1837-0	1		3000	2781	219
5	27--09	8	1839-0	1		2297	2086	211
5	27--10	8	0769-0	1		2531	2317	214
5	27--11	8	1511-0	1		2263	2059	204
5	27--12	8	0769-0	1		2138	1943	195
5	27--13	8	0769-0	1		2867	2629	238
5	27--14	8	1837-0	1		2354	2215	139
5	27--15	8	1211-0	1		2529	2249	280
5	27--16	8	1219-0	1		3193	2943	250
5	27--17	8	1835-0	1		3223	2837	386
5	27--18	8	1837-0	1				
5	27--19	8	1639-0	33				
5	28--01	9	0569-0	2	3	2211	2024	187
5	28--02	9	1837-0	1		2715	2620	95
5	28--03	9	1837-0	2	3	2701	2538	163
5	28--04	9	0769-0	2	3	2282	2098	184
5	28--05	9	0769-0	1		2169	2086	83
5	28--06	9	1837-0	1		2703	2587	116
5	28--07	9	1635-0	33				
5	28--08	9	1637-0	33				
5	28--09	9	1637-0	33				
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5	28--49	9	1637-0	33				
5	28--50	9	1637-0	33				
5	28--51	9	1637-0	33				
5	28--52	9	1637-0	33				
5	28--53	9	1637-0	33				
5	28--54	9	1637-0	33				
5	28--55	9	1637-0	33				
5	28--56	9	1637-0	33				
5	28--57	9	1637-0	33				
5	28--58	9	1637-0	33				
5	28--59	9	1637-0	33				
5	28--60	9	1637-0	33				
5	28--61	9	1637-0	33				
5	28--62	9	1637-0	33				
5	28--63	9	1637-0	33				
5	28--64	9	1637-0	33				
5	28--65	9	1637-0	33				
5	28--66	9	1637-0	33				
5	28--67	9	1637-0	33				
5	28--68	9	1637-0	33				
5	28--69	9	1637-0	33				
5	28--70	9	1637-0	33				
5	28--71	9	1637-0	33				
5	28--72	9	1637-0	33				
5	28--73	9	1637-0	33				
5	28--74	9	1637-0	33				
5	28--75	9	1637-0	33				
5	28--76	9	1637-0	33				
5	28--77	9	1637-0	33				
5	28--78	9	1637-0	33				
5	28--79	9	1637-0	33				
5	28--80	9	1637-0	33				
5	28--81	9	1637-0	33				
5	28--82	9	1637-0	33				
5	28--83	9	1637-0	33				
5	28--84	9	1637-0	33				
5	28--85	9	1637-0	33				
5	28--86	9	1637-0	33				
5	28--87	9	1637-0	33				
5	28--88	9	1637-0	33				
5	28--89	9	1637-0	33				
5	28--90	9	1637-0	33				
5	28--91	9	1637-0	33				
5	28--92	9	1637-0	33				
5	28--93	9	1637-0	33				
5	28--94	9	1637-0	33				
5	28--95	9	1637-0	33				
5	28--96	9	1637-0	33				
5	28--97	9	1637-0	33				
5	28--98	9	1637-0	33				
5	28--99	9	1637-0	33				
5	28--100	9	1637-0	33				

DEALER - GYNN

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	30--08	10	1837-0	31				
5	30--09	10	1839-1	33				
5	30--10	10	1837-1	33				
5	30--11	10	0727-1	2	1	2280	1988	292
5	30--12	10	0727-1	33				
5	30--13	10	0727-1	33				
5	30--14	10	0727-1	2	3	2202	1991	211
5	30--15	10	0927-1	1		2326	2146	180
5	30--16	10	0568-1	2	3	2114	1964	150
5	30--17	10	0727-1	33				
5	30--18	10	0927-1	2	1	2392	2111	281
5	30--19	10	0727-1	33				
5	30--20	10	0727-1	2	3	2261	2027	234
5	30--21	10	0927-1	2	1	2407	2144	263
5	31--01	10	1819-0	1		2727	2567	160
5	31--02	10	0769-1	1		2600	2110	490
5	31--03	10	0769-0	31				
5	31--04	10	1837-0	31				
5	31--05	10	1619-0	31				
5	31--06	10	1619-0	31				
5	31--07	10	1645-0	31				
5	31--08	10	1637-0	31				
5	31--09	10	1837-0	31				
5	31--10	10	1819-0	31				
5	31--11	10	0927-1	1		2668	2169	499
5	31--12	10	1839-1	1		3090	2729	361
5	31--13	10	0927-1	1		2542	2094	448
5	31--14	10	1837-0	31				
5	31--15	10	1169-1	1		2284	2001	283
5	31--16	10	1867-1	33				
5	31--17	10	0927-1	1		2704	2196	508
5	31--18	10	0927-1	1		2691	2172	519

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DEALER NO. MODEL NO. NET

DEALER NO.	P.G. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	31--20	10	1839-1	1		3000	2659	341
5	31--21	10	1837-0	31				
5	31--22	10	0927-1	1		2691	2186	505
5	31--23	10	0927-1	1		2691	2186	505
5	31--24	10	0769-0	31				
5	31--25	10	0727-1	1		2250	1921	329
5	31--26	10	1867-1	1		3154	2881	273
5	31--27	10	1837-1	1		3004	2679	325
5	31--28	10	1869-1	1		3274	2745	529
5	31--29	10	0927-1	1		2598	2185	413
5	31--30	10	1837-1	1		3171	2692	479
5	31--31	10	0769-1	33				
5	31--32	10	0927-1	1		2483	2059	424
5	32--01	10	0569-0	31				
5	32--02	10	0769-0	31				
5	32--03	10	0927-1	1		2627	2184	443
5	32--04	10	0927-1	1		2603	2196	407
5	32--05	10	1837-1	1		3010	2673	337
5	32--06	10	0727-1	1		2538	2060	478
5	32--07	10	0927-1	1		2484	2200	284
5	32--08	10	0927-1	1		2224	2051	173
5	32--09	10	0927-1	1		2618	2176	442
5	32--10	10	0867-0	31				
5	32--11	10	1635-0	31				
5	32--12	10	1635-0	31				
5	32--13	10	1635-0	31				
5	32--14	10	1837-0	31				
5	33--01	11	1837-1	1				
5	33--02	11	0927-1	1		3000	2433	567
5	33--03	11	0527-1	1		2522	2207	315
5	33--04	11	1645-0	31		2337	2006	331
5	33--05	11	1635-1	1				
5	33--06	11	1669-1	1		2868	2697	171
5						2465		500

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER - GWYNN

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	33--07	11	0927-1	1		2390	2095	295
5	33--08	11	0927-1	1		2507	2160	347
5	33--09	11	1867-1	1		3376	2943	433
5	33--10	11	0927-1	1		2477	2182	295
5	33--11	11	1837-0	31				
5	33--12	11	0927-1	1		2553	2207	346
5	33--13	11	1111-1	1		2389	2086	303
5	33--14	11	0927-1	1		2624	2196	428
5	33--15	11	0927-1	1		2591	2181	410
5	33--16	11	1769-1	1		2632	2294	338
5	33--17	11	1269-1	1		2531	2195	336
5	33--18	11	0727-1	1		2452	1995	457
5	33--19	11	1837-1	33				
5	33--20	11	1837-0	31				
5	33--21	11	1837-0	31				
5	33--22	11	1837-1	1		3200	2679	521
5	33--23	11	1837-1	1		3098	2642	456
5	33--24	11	1215-0	31				
5	33--25	11	0927-1	1		2656	2186	470
5	33--26	11	1839-0	31				
5	33--27	11	1839-1	32				
5	33--28	11	0927-1	1		2387	2157	230
5	33--29	11	1837-1	1		2744	2615	129
5	33--30	11	1869-1	1		2927	2617	310
5	33--31	11	0927-1	1		2509	2111	398
5	33--32	11	0769-1	33				
5	34--01	11	1837-1	1		3209	2829	380
5	34--02	11	1519-0	31				
5	34--03	11	1837-1	1		2754	2568	186
5	34--04	11	1569-1	1		2816	2299	517
5	34--05	11	1569-1	31				
5	34--06	11	1569-1	31				
5	34--07	11	1569-1	31				
5	34--08	11	1569-1	31				
5	34--09	11	1569-1	31				
5	34--10	11	1569-1	31				
5	34--11	11	1569-1	31				
5	34--12	11	1569-1	31				
5	34--13	11	1569-1	31				
5	34--14	11	1569-1	31				
5	34--15	11	1569-1	31				
5	34--16	11	1569-1	31				
5	34--17	11	1569-1	31				
5	34--18	11	1569-1	31				
5	34--19	11	1569-1	31				
5	34--20	11	1569-1	31				
5	34--21	11	1569-1	31				
5	34--22	11	1569-1	31				
5	34--23	11	1569-1	31				
5	34--24	11	1569-1	31				
5	34--25	11	1569-1	31				
5	34--26	11	1569-1	31				
5	34--27	11	1569-1	31				
5	34--28	11	1569-1	31				
5	34--29	11	1569-1	31				
5	34--30	11	1569-1	31				
5	34--31	11	1569-1	31				
5	34--32	11	1569-1	31				
5	34--33	11	1569-1	31				
5	34--34	11	1569-1	31				
5	34--35	11	1569-1	31				
5	34--36	11	1569-1	31				
5	34--37	11	1569-1	31				
5	34--38	11	1569-1	31				
5	34--39	11	1569-1	31				
5	34--40	11	1569-1	31				
5	34--41	11	1569-1	31				
5	34--42	11	1569-1	31				
5	34--43	11	1569-1	31				
5	34--44	11	1569-1	31				
5	34--45	11	1569-1	31				
5	34--46	11	1569-1	31				
5	34--47	11	1569-1	31				
5	34--48	11	1569-1	31				
5	34--49	11	1569-1	31				
5	34--50	11	1569-1	31				
5	34--51	11	1569-1	31				
5	34--52	11	1569-1	31				
5	34--53	11	1569-1	31				
5	34--54	11	1569-1	31				
5	34--55	11	1569-1	31				
5	34--56	11	1569-1	31				
5	34--57	11	1569-1	31				
5	34--58	11	1569-1	31				
5	34--59	11	1569-1	31				
5	34--60	11	1569-1	31				
5	34--61	11	1569-1	31				
5	34--62	11	1569-1	31				
5	34--63	11	1569-1	31				
5	34--64	11	1569-1	31				
5	34--65	11	1569-1	31				
5	34--66	11	1569-1	31				
5	34--67	11	1569-1	31				
5	34--68	11	1569-1	31				
5	34--69	11	1569-1	31				
5	34--70	11	1569-1	31				
5	34--71	11	1569-1	31				
5	34--72	11	1569-1	31				
5	34--73	11	1569-1	31				
5	34--74	11	1569-1	31				
5	34--75	11	1569-1	31				
5	34--76	11	1569-1	31				
5	34--77	11	1569-1	31				
5	34--78	11	1569-1	31				
5	34--79	11	1569-1	31				
5	34--80	11	1569-1	31				
5	34--81	11	1569-1	31				
5	34--82	11	1569-1	31				
5	34--83	11	1569-1	31				
5	34--84	11	1569-1	31				
5	34--85	11	1569-1	31				
5	34--86	11	1569-1	31				
5	34--87	11	1569-1	31				
5	34--88	11	1569-1	31				
5	34--89	11	1569-1	31				
5	34--90	11	1569-1	31				
5	34--91	11	1569-1	31				
5	34--92	11	1569-1	31				
5	34--93	11	1569-1	31				
5	34--94	11	1569-1	31				
5	34--95	11	1569-1	31				
5	34--96	11	1569-1	31				
5	34--97	11	1569-1	31				
5	34--98	11	1569-1	31				
5	34--99	11	1569-1	31				
5	34--100	11	1569-1	31				

SELLING

MODEL NO.

NO.

DEALER

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	34--08	11	0927-1	1		2530	2165	365
5	34--09	11	0769-1	33				
5	34--10	11	1635-0	31				
5	34--11	11	0727-1	1				
5	34--12	11	0769-1	1				
5	34--13	11	1839-1	1		2150	1947	203
5	34--14	11	1835-1	1		2121	1883	238
5	34--15	11	1835-1	1		2825	2588	237
5	34--16	11	0927-1	1		3235	2986	249
5	34--17	11	0927-1	1		2409	2094	315
5	34--18	11	1837-1	1		2495	2166	329
5	34--19	11	1639-0	31		2841	2596	245
5	34--20	11	1511-1	1				
5	35--01	11	0927-1	2	1	2707	2291	416
5	35--02	11	1169-1	1		2383	2110	273
5	35--03	11	0727-1	33		2146	2061	85
5	35--04	11	1839-1	33				
5	35--05	11	1837-1	33				
5	35--06	11	1837-1	33				
5	35--07	11	0927-1	2	1	2382	2172	210
5	35--08	11	1845-1	2	1	3341	3041	300
5	35--09	11	1837-1	1		2558	2473	85
5	35--10	11	1837-1	33				
5	35--11	11	1839-1	33				
5	35--12	11	1837-1	33				
5	35--13	11	0769-1	2	1			
5	35--14	11	1635-1	2	1	2178	1919	259
5	35--15	11	1837-1	33		2820	2546	274
5	35--16	11	1837-1	33				
5	35--17	11	1839-1	33				
5	35--18	11	1839-1	33				
5	35--19	11	1767-1	33				
5	35--20	11	0735-1	33				
5		11	0927-1	35				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	35--21	11	1535-1	35	1	2414	2177	237
5	35--22	11	0727-1	2				
5	35--23	11	1635-1	35				
5	35--24	11	1839-1	33				
5	35--25	11	0927-1	2				
5	35--26	11	0927-1	2				
5	35--27	11	1837-1	2				
5	35--28	11	0927-1	2				
5	35--29	11	1867-1	2				
5	35--30	11	1837-1	2				
5	35--31	11	1635-1	2				
5	35--32	11	1869-1	1				
5	36--01	11	0727-1	1				
5	36--02	11	0735-1	33				
5	36--03	11	1839-1	33				
5	36--04	11	1635-1	33				
5	36--05	11	0927-1	1				
5	36--06	11	1635-1	1				
5	36--07	11	1669-1	2				
5	36--08	11	1837-1	2				
5	36--09	11	0927-1	35				
5	36--10	11	1837-1	33				
5	36--11	11	1837-1	33				
5	36--12	11	1837-1	33				
5	36--13	11	1837-1	33				
5	36--14	11	1837-1	33				
5	36--15	11	1837-1	33				
5	36--16	11	1837-1	33				
5	36--17	11	1837-1	33				
5	36--18	11	1837-1	33				
5	36--19	11	1837-1	33				
5	36--20	11	1837-1	33				
5	36--21	11	1837-1	33				
5	36--22	11	1837-1	33				
5	36--23	11	1837-1	33				
5	36--24	11	1837-1	33				
5	36--25	11	1837-1	33				
5	36--26	11	1837-1	33				
5	36--27	11	1837-1	33				
5	36--28	11	1837-1	33				
5	36--29	11	1837-1	33				
5	36--30	11	1837-1	33				
5	36--31	11	1837-1	33				
5	36--32	11	1837-1	33				
5	36--33	11	1837-1	33				
5	36--34	11	1837-1	33				
5	36--35	11	1837-1	33				
5	36--36	11	1837-1	33				
5	36--37	11	1837-1	33				
5	36--38	11	1837-1	33				
5	36--39	11	1837-1	33				
5	36--40	11	1837-1	33				
5	36--41	11	1837-1	33				
5	36--42	11	1837-1	33				
5	36--43	11	1837-1	33				
5	36--44	11	1837-1	33				
5	36--45	11	1837-1	33				
5	36--46	11	1837-1	33				
5	36--47	11	1837-1	33				
5	36--48	11	1837-1	33				
5	36--49	11	1837-1	33				
5	36--50	11	1837-1	33				
5	36--51	11	1837-1	33				
5	36--52	11	1837-1	33				
5	36--53	11	1837-1	33				
5	36--54	11	1837-1	33				
5	36--55	11	1837-1	33				
5	36--56	11	1837-1	33				
5	36--57	11	1837-1	33				
5	36--58	11	1837-1	33				
5	36--59	11	1837-1	33				
5	36--60	11	1837-1	33				
5	36--61	11	1837-1	33				
5	36--62	11	1837-1	33				
5	36--63	11	1837-1	33				
5	36--64	11	1837-1	33				
5	36--65	11	1837-1	33				
5	36--66	11	1837-1	33				
5	36--67	11	1837-1	33				
5	36--68	11	1837-1	33				
5	36--69	11	1837-1	33				
5	36--70	11	1837-1	33				
5	36--71	11	1837-1	33				
5	36--72	11	1837-1	33				
5	36--73	11	1837-1	33				
5	36--74	11	1837-1	33				
5	36--75	11	1837-1	33				
5	36--76	11	1837-1	33				
5	36--77	11	1837-1	33				
5	36--78	11	1837-1	33				
5	36--79	11	1837-1	33				
5	36--80	11	1837-1	33				
5	36--81	11	1837-1	33				
5	36--82	11	1837-1	33				
5	36--83	11	1837-1	33				
5	36--84	11	1837-1	33				
5	36--85	11	1837-1	33				
5	36--86	11	1837-1	33				
5	36--87	11	1837-1	33				
5	36--88	11	1837-1	33				
5	36--89	11	1837-1	33				
5	36--90	11	1837-1	33				
5	36--91	11	1837-1	33				
5	36--92	11	1837-1	33				
5	36--93	11	1837-1	33				
5	36--94	11	1837-1	33				
5	36--95	11	1837-1	33				
5	36--96	11	1837-1	33				
5	36--97	11	1837-1	33				
5	36--98	11	1837-1	33				
5	36--99	11	1837-1	33				
5	36--100	11	1837-1	33				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	36--22	11	1837-1	1		2898	2754	144
5	36--23	11	1869-1	1		2805	2634	171
5	36--24	11	0727-1	1		2160	1997	163
5	36--25	11	1635-1	2	3	2945	2748	197
5	36--26	11	1839-1	33				
5	36--28	11	1669-1	1				
5	36--29	11	1837-1	1		2653	2529	124
5	36--30	11	0927-1	1	1	3062	2945	117
5	36--31	11	1837-1	33		2353	2111	242
5	36--32	11	0927-1	2				
5	37--01	12	0927-1	2	1	2407	2165	242
5	37--02	12	0727-1	2	1	2331	2095	236
5	37--03	12	1839-1	2	1	2239	1955	284
5	37--04	12	1837-1	33				
5	37--05	12	0927-1	2	1	2736	2579	157
5	37--06	12	0727-1	34	1			
5	37--07	12	0735-1	2	3	2364	2146	218
5	37--08	12	1845-1	2	1	3277	2998	279
5	37--09	12	1839-1	2	3	2870	2649	221
5	37--10	12	1839-1	2	3	2873	2624	249
5	37--11	12	0735-1	2	1	2590	2316	274
5	37--12	12	0927-1	1	1	2306	2164	142
5	37--13	12	1839-1	1		2719	2591	128
5	37--14	12	1839-1	35				
5	37--15	12	0927-1	2	1	2369	2109	260
5	37--16	12	0927-1	35				
5	37--17	12	0727-1	2	1			
5	37--18	12	1511-1	2	1	2231	1975	256
5	37--19	12	0927-1	1	1	2481	2220	261
5	37--20	12	1839-1	33		2305	2188	117
5	37--21	12	1837-1	33				
5	37--22	12	1845-1	33				
5	37--23	12	0927-1	2	3			
5	37--23	12	0927-1	33		2353	2185	168

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	37--24	12	1535-1	2	1	2721	2462	259
5	37--25	12	0927-1	2	1	2439	2219	220
5	37--26	12	0727-1	2	1	2235	2019	216
5	37--27	12	1837-1	1		2475	2360	115
5	37--28	12	1839-1	1		2726	2633	93
5	37--29	12	0569-1	2	3	2040	1825	215
5	37--30	12	0527-1	2	3	1986	1872	114
5	37--31	12	1569-1	2	3	2453	2240	213
5	37--32	12	0927-1	2	1	2403	2134	269
5	38--01	12	0867-1	33				
5	38--02	12	1839-1	33				
5	38--03	12	0927-1	33				
5	38--04	12	1635-1	33				
5	38--05	12	1211-1	1				
5	38--06	12	1839-1	33				
5	38--07	12	1837-1	33				
5	38--08	12	1669-1	1				
5	38--09	12	0927-1	1				
5	38--10	12	0927-1	1				
5	38--11	12	1839-1	33				
5	38--12	12	1637-1	33				
5	38--13	12	1839-1	1				
5	38--14	12	1839-1	33				
5	38--15	12	1837-1	33				
5	38--16	12	1635-1	33				
5	38--17	12	0735-1	1				
5	38--18	12	1839-1	33				
5	38--19	12	1635-0	31				
5	38--20	12	1639-0	31				
5	38--21	12	0927-1	1				
5	38--22	12	1667-1	33				
5	38--23	12	1111-0	31				
5	38--24	12	1111-0	31				
5	38--25	12	1111-0	31				
5	38--26	12	1111-0	31				
5	38--27	12	1111-0	31				
5	38--28	12	1111-0	31				
5	38--29	12	1111-0	31				
5	38--30	12	1111-0	31				
5	38--31	12	1111-0	31				
5	38--32	12	1111-0	31				
5	38--33	12	1111-0	31				
5	38--34	12	1111-0	31				
5	38--35	12	1111-0	31				
5	38--36	12	1111-0	31				
5	38--37	12	1111-0	31				
5	38--38	12	1111-0	31				
5	38--39	12	1111-0	31				
5	38--40	12	1111-0	31				
5	38--41	12	1111-0	31				
5	38--42	12	1111-0	31				
5	38--43	12	1111-0	31				
5	38--44	12	1111-0	31				
5	38--45	12	1111-0	31				
5	38--46	12	1111-0	31				
5	38--47	12	1111-0	31				
5	38--48	12	1111-0	31				
5	38--49	12	1111-0	31				
5	38--50	12	1111-0	31				
5	38--51	12	1111-0	31				
5	38--52	12	1111-0	31				
5	38--53	12	1111-0	31				
5	38--54	12	1111-0	31				
5	38--55	12	1111-0	31				
5	38--56	12	1111-0	31				
5	38--57	12	1111-0	31				
5	38--58	12	1111-0	31				
5	38--59	12	1111-0	31				
5	38--60	12	1111-0	31				
5	38--61	12	1111-0	31				
5	38--62	12	1111-0	31				
5	38--63	12	1111-0	31				
5	38--64	12	1111-0	31				
5	38--65	12	1111-0	31				
5	38--66	12	1111-0	31				
5	38--67	12	1111-0	31				
5	38--68	12	1111-0	31				
5	38--69	12	1111-0	31				
5	38--70	12	1111-0	31				
5	38--71	12	1111-0	31				
5	38--72	12	1111-0	31				
5	38--73	12	1111-0	31				
5	38--74	12	1111-0	31				
5	38--75	12	1111-0	31				
5	38--76	12	1111-0	31				
5	38--77	12	1111-0	31				
5	38--78	12	1111-0	31				
5	38--79	12	1111-0	31				
5	38--80	12	1111-0	31				
5	38--81	12	1111-0	31				
5	38--82	12	1111-0	31				
5	38--83	12	1111-0	31				
5	38--84	12	1111-0	31				
5	38--85	12	1111-0	31				
5	38--86	12	1111-0	31				
5	38--87	12	1111-0	31				
5	38--88	12	1111-0	31				
5	38--89	12	1111-0	31				
5	38--90	12	1111-0	31				
5	38--91	12	1111-0	31				
5	38--92	12	1111-0	31				
5	38--93	12	1111-0	31				
5	38--94	12	1111-0	31				
5	38--95	12	1111-0	31				
5	38--96	12	1111-0	31				
5	38--97	12	1111-0	31				
5	38--98	12	1111-0	31				
5	38--99	12	1111-0	31				
5	38--100	12	1111-0	31				
5	38--101	12	1111-0	31				
5	38--102	12	1111-0	31				
5	38--103	12	1111-0	31				
5	38--104	12	1111-0	31				
5	38--105	12	1111-0	31				
5	38--106	12	1111-0	31				
5	38--107	12	1111-0	31				
5	38--108	12	1111-0	31				
5	38--109	12	1111-0	31				
5	38--110	12	1111-0	31				
5	38--111	12	1111-0	31				
5	38--112	12	1111-0	31				
5	38--113	12	1111-0	31				
5	38--114	12	1111-0	31				
5	38--115	12	1111-0	31				
5	38--116	12	1111-0	31				
5	38--117	12	1111-0	31				
5	38--118	12	1111-0	31				
5	38--119	12	1111-0	31				
5	38--120	12	1111-0	31				
5	38--121	12	1111-0	31				
5	38--122	12	1111-0	31				
5	38--123	12	1111-0	31				
5	38--124	12	1111-0	31				
5	38--125	12	1111-0	31				
5	38--126	12	1111-0	31				
5	38--127	12	1111-0	31				
5	38--128	12	1111-0	31				
5	38--129	12	1111-0	31				
5	38--130	12	1111-0	31				
5	38--131	12	1111-0	31				
5	38--132	12	1111-0	31				
5	38--133	12	1111-0	31				
5	38--134	12	1111-0	31				
5	38--135	12	1111-0	31				
5	38--136	12	1111-0	31				
5	38--137	12	1111-0	31				
5	38--138	12	1111-0	31				
5	38--139	12	1111-0	31				
5	38--140	12	1111-0	31				
5	38--141	12	1111-0	31				
5	38--142	12	1111-0	31				
5	38--143	12	1111-0	31				
5	38--144	12	1111-0	31				
5	38--145	12	1111-0	31				
5	38--146	12	1111-0	31				
5	38--147	12	1111-0	31				
5	38--148	12	1111-0	31				
5	38--149	12	1111-0	31				
5	38--150	12	1111-0	31				
5	38--151	12	1111-0	31				
5	38--152	12	1111-0	31				
5	38--153	12	1111-0	31				
5	38--154	12	1111-0	31				
5	38--155	12	1111-0	31				
5	38--156	12	1111-0	31				
5	38--157	12	1111-0	31				
5	38--158	12	1111-0	31				
5	38--159	12	1111-0	31				
5	38--160	12	1111-0	31				
5	38--161	12	1111-0	31				
5	38--162	12	1111-0	31				
5	38--163	12	1111-0	31				
5	38--164	12	1111-0	31				
5	38--165	12	1111-0	31				
5	38--166	12	1111-0	31				
5	38--167	12	1111-0	31				
5	38--168	12	1111-0	31				
5	38--169	12	1111-0	31				
5	38--170	12	1111-0	31				
5	38--171	12	1111-0	31				
5	38--172	12	1111-0	31				
5	38--173	12	1111-0	31				
5	38--174	12	1111-0	31				
5	38--175	12	1111-0	31				
5	38--176	12	1111-0	31				
5	38--177	12	1111-0	31				
5	38--178	12	1111-0	31				
5	38--179	12	1111-0	31				
5	38--180	12	1111-0	31				
5	38--181	12	1111-0	31				

PG. - LINE NO.	DEALER NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	38--25	12	0569-0	31				
5	38--26	12	0867-1	33				
5	38--27	12	0769-0	31				
5	38--28	12	1837-1	1		2878	2602	276
5	38--29	12	0927-1	1		2662	2186	476
5	38--30	12	1837-1	33				
5	38--31	12	0927-1	1		2490	2050	440
5	38--32	12	1511-1	1		2475	2222	253
5	39--01	12	1637-1	33				
5	39--02	12	1635-0	31				
5	39--03	12	1837-1	1		2814	2594	220
5	39--04	12	0927-1	1		2300	2100	200
5	39--05	12	0927-1	33				
5	39--06	12	0769-1	1		2042	1954	88
5	39--07	12	1837-1	33				
5	39--08	12	1839-0	31				
5	39--09	12	1837-1	1		2975	2730	245
5	39--10	12	1839-0	31				
5	39--11	12	1837-0	31				
5	39--12	12	1837-1	33				
5	39--13	12	1869-1	1		2779	2443	336
5	39--14	12	0735-1	33				
5	39--15	12	1837-1	1		2769	2601	168
5	39--19	12	1569-1	1		2686	2588	98
5	39--20	12	0927-1	2	1	2352	2164	188
5	39--21	12	1645-1	33				
5	39--22	12	0927-1	35				
5	39--23	12	1569-1	1		2334	2281	53
5	39--24	12	1737-1	2	3	2377	2195	182
5	39--25	12	0727-1	2	1	2236	2011	225
5	39--26	12	1645-1	33				
5	39--27	12	0769-1	1		2219	2001	218
5	39--28	12	0927-1	2	3	2364	2151	213

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
5	39--29	12	0769-1	2	1	2039	1850	189
5	39--30	12	1837-1	35				
5	39--31	12	1839-1	35				
5	39--32	12	0927-1	2	3	2389	2167	222
5	40--01	12	1837-1	1		3066	2660	406
5	40--02	12	0735-1	33				
5	40--03	12	1839-1	1		2982	2630	352
5	40--04	12	1215-0	31				
5	40--05	12	1837-1	1		2724	2587	137
5	40--06	12	0927-1	1		2713	2207	506
5	40--07	12	1837-1	1		2870	2642	228
5	40--08	12	1635-1	1		2992	2760	232
5	40--09	12	1837-1	1		2766	2586	180
5	40--10	12	1111-1	1		2154	1977	177
5	40--11	12	1837-1	1		3304	3108	196
5	40--12	12	1867-1	1		3050	2855	195
5	40--13	12	0927-1	1		2606	2196	410
5	40--14	12	1835-1	1		3557	3435	122
5	40--15	12	1835-1	1		3006	2811	195
5	40--16	12	1837-1	33				
5	40--17	12	1611-1	1		2964	2657	307
5	40--18	12	1635-0	31				
5	40--19	12	0727-1	33				
5	40--20	12	1835-1	1		3124	3007	117
5	40--21	12	0727-1	1		2386	1975	411
5	40--22	12	0769-1	1		2250	2023	227
5	40--23	12	0867-1	1		4209	3797	412
5	40--24	12	1639-1	1		2905	2540	365
5	40--25	12	0527-1	1		2213	1817	396
5	41--01	12	0927-1	35				
5	41--02	12	1839-1	2	3	2766	2649	117

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	NO. OF SALES	MEDIAN MARKUP	ARITHMETIC MEAN MARKUP
1	668	232	246
2	93	221	220
SUBTOTAL	761		
31	53		
32	2		
33	169		
34	3		
35	33		
SUBTOTAL	260		
OTHER			
TOTAL	1,021		

[fol. 1750]

DEALER - PORTER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	1--01	1	1121-0	1		2100	1862	238
6	1--02	1	0769-0	1		2472	2070	402
6	1--03	1	0769-0	1		2514	2045	469
6	1--05	1	1635-0	1		2925	2629	296
6	1--06	1	0769-0	1		2406	2078	328
6	1--07	1	1619-0	2	6	2731	2442	289
6	1--08	1	1837-0	2	6	2699	2431	268
6	1--09	1	1839-0	35				
6	1--10	1	0769-0	33				
6	2--01	1	1835-0	33				
6	2--02	1	0769-0	2	6	2212	1926	286
6	2--04	1	1511-0	1		2488	2235	253
6	2--05	1	1111-0	1		2545	2215	330
6	2--06	1	1835-0	1		3218	2661	557
6	2--07	1	1619-9	31				
6	2--08	1	1867-0	2	6	3081	2789	292
6	2--09	1	1837-0	1		2869	2572	297
6	3--01	1	1519-0	1		2738	2369	369
6	3--02	1	1111-0	2	6	2295	2077	218
6	3--03	1	1867-0	1		3234	2941	293
6	3--04	1	1837-0	35				
6	3--05	1	0569-0	1		2408	1903	505
6	3--07	1	1619-0	1		2748	2474	274
6	3--09	1	0769-0	1		2411	2050	361
6	4--01	1	1837-0	1		2751	2482	269
6	4--02	1	1839-0	2	6	2862	2647	215
6	4--03	1	1837-0	1		2954	2615	339
6	4--04	1	1637-0	1		2735	2479	256
6	4--05	1	1645-0	1		3139	2880	259
6	4--06	1	1837-0	1		2961	2670	291
6	4--07	1	1839-0	1		3058	2696	362
6	4--08	1	1837-0	1		3024	2674	350
6	4--09	1	1839-0	1		3014	2653	347
6	4--10	1	1839-0	1		3014	2653	347

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NET

MODEL NO.

DEALER

DEALER NO.	PG. -	LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	4--10	1	1	0709-0	1		2297	1910	387
6	5--01	1	1	1837-0	1		3226	2899	327
6	5--02	1	1	0769-0	1		2359	2076	283
6	5--03	1	1	1537-0	33				
6	5--04	1	1	1839-0	1				
6	5--05	1	1	1635-0	1		2962	2644	318
6	5--06	1	1	1635-9	1		2921	2692	229
6	5--08	1	1	1837-0	31				
6	5--09	1	1	0569-0	1		3052	2731	321
6	5--10	1	1	1211-0	1		2280	1982	298
6	5--11	1	1	1819-0	1		2324	2060	264
6	6--01	1	1	1611-0	2	10	2870	2599	271
6	6--02	1	1	1119-0	2	10	2661	2345	316
6	6--04	1	1	1837-0	2		2246	2024	222
6	6--05	1	1	1839-0	35				
6	6--06	1	1	1637-0	2	6	2895	2628	267
6	6--07	1	1	1839-0	35				
6	6--08	1	1	1635-0	1		3043	2747	296
6	6--09	1	1	1839-0	1		3219	2876	343
6	7--02	1	1	1119-0	1		2996	2630	366
6	7--03	1	1	1837-0	1		2255	2013	242
6	7--04	1	1	1111-0	1		2945	2665	280
6	7--05	1	1	0769-0	1		2070	1875	195
6	7--06	1	1	1839-0	1		2445	2101	344
6	7--07	1	1	1619-0	1		3097	2806	291
6	8--01	1	1	1519-0	33				
6	8--02	1	1	1619-0	35		2506	2259	247
6	8--03	1	1	0867-0	1				
6	8--04	1	1	1839-0	1		3723	3405	318
6	8--05	1	1	1219-0	1		3017	2804	213
6	8--06	1	1	1837-0	1		2468	2273	195
6	8--07	1	1	1635-0	2	6	2893	2596	297
6	8--08	1	1	1737-0	33				
6					1		2626	2419	207

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER - PORTER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	8--09	1	1839-0	1		2968	2721	247
6	8--10	1	1619-0	1		2842	2516	326
6	9--01	1	1837-0	1		2878	2592	286
6	9--03	1	1119-0	1		2471	2217	254
6	9--04	1	1639-0	1		2730	2564	166
6	9--05	1	1611-0	1		2582	2314	268
6	9--06	1	1835-0	1		3390	3066	324
6	9--08	1	0769-0	1		2309	2053	256
6	9--09	1	1645-0	2	10	2961	2766	195
6	10--02	1	0769-0	1		2457	2054	403
6	10--03	1	1511-0	1		2546	2282	264
6	10--06	1	1635-0	2	6	3085	2808	277
6	10--07	1	0569-0	1		2263	1945	318
6	10--08	1	1511-0	2	6	2464	2234	230
6	10--09	1	1837-0	1		2564	2400	164
6	10--10	1	1837-0	1		2780	2548	232
6	11--01	1	1837-0	1		2820	2641	179
6	11--02	1	1611-0	1		2640	2344	296
6	11--03	1	0769-0	2	6	2290	2067	223
6	11--04	1	1645-0	2	6	3273	3010	263
6	11--05	1	1835-0	1		3468	3162	306
6	11--06	1	1111-0	1		2440	2132	308
6	11--07	1	1637-0	2	6	2913	2629	284
6	11--08	1	1837-0	1		2879	2566	313
6	11--09	1	1837-0	33				
6	11--10	1	1837-0	1		2926	2716	210
6	11--11	1	1235-0	1		2856	2631	225
6	12--01	1	1837-0	1		2915	2621	294
6	13--01	2	1619-9	31				
6	13--02	2	0769-0	33				
6	13--03	2	0769-0	33				
6	13--04	2	0769-0	33				
6	13--05	2	0769-0	33				
6	13--06	2	0769-0	33				
6	13--07	2	0769-0	33				
6	13--08	2	0769-0	33				
6	13--09	2	0769-0	33				
6	13--10	2	0769-0	33				
6	13--11	2	0769-0	33				
6	13--12	2	0769-0	33				
6	13--13	2	0769-0	33				
6	13--14	2	0769-0	33				
6	13--15	2	0769-0	33				
6	13--16	2	0769-0	33				
6	13--17	2	0769-0	33				
6	13--18	2	0769-0	33				
6	13--19	2	0769-0	33				
6	13--20	2	0769-0	33				
6	13--21	2	0769-0	33				
6	13--22	2	0769-0	33				
6	13--23	2	0769-0	33				
6	13--24	2	0769-0	33				
6	13--25	2	0769-0	33				
6	13--26	2	0769-0	33				
6	13--27	2	0769-0	33				
6	13--28	2	0769-0	33				
6	13--29	2	0769-0	33				
6	13--30	2	0769-0	33				
6	13--31	2	0769-0	33				
6	13--32	2	0769-0	33				
6	13--33	2	0769-0	33				
6	13--34	2	0769-0	33				
6	13--35	2	0769-0	33				
6	13--36	2	0769-0	33				
6	13--37	2	0769-0	33				
6	13--38	2	0769-0	33				
6	13--39	2	0769-0	33				
6	13--40	2	0769-0	33				
6	13--41	2	0769-0	33				
6	13--42	2	0769-0	33				
6	13--43	2	0769-0	33				
6	13--44	2	0769-0	33				
6	13--45	2	0769-0	33				
6	13--46	2	0769-0	33				
6	13--47	2	0769-0	33				
6	13--48	2	0769-0	33				
6	13--49	2	0769-0	33				
6	13--50	2	0769-0	33				
6	13--51	2	0769-0	33				
6	13--52	2	0769-0	33				
6	13--53	2	0769-0	33				
6	13--54	2	0769-0	33				
6	13--55	2	0769-0	33				
6	13--56	2	0769-0	33				
6	13--57	2	0769-0	33				
6	13--58	2	0769-0	33				
6	13--59	2	0769-0	33				
6	13--60	2	0769-0	33				
6	13--61	2	0769-0	33				
6	13--62	2	0769-0	33				
6	13--63	2	0769-0	33				
6	13--64	2	0769-0	33				
6	13--65	2	0769-0	33				
6	13--66	2	0769-0	33				
6	13--67	2	0769-0	33				
6	13--68	2	0769-0	33				
6	13--69	2	0769-0	33				
6	13--70	2	0769-0	33				
6	13--71	2	0769-0	33				
6	13--72	2	0769-0	33				
6	13--73	2	0769-0	33				
6	13--74	2	0769-0	33				
6	13--75	2	0769-0	33				
6	13--76	2	0769-0	33				
6	13--77	2	0769-0	33				
6	13--78	2	0769-0	33				
6	13--79	2	0769-0	33				
6	13--80	2	0769-0	33				
6	13--81	2	0769-0	33				
6	13--82	2	0769-0	33				
6	13--83	2	0769-0	33				
6	13--84	2	0769-0	33				
6	13--85	2	0769-0	33				
6	13--86	2	0769-0	33				
6	13--87	2	0769-0	33				
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6	13--89	2	0769-0	33				
6	13--90	2	0769-0	33				
6	13--91	2	0769-0	33				
6	13--92	2	0769-0	33				
6	13--93	2	0769-0	33				
6	13--94	2	0769-0	33				
6	13--95	2	0769-0	33				
6	13--96	2	0769-0	33				
6	13--97	2	0769-0	33				
6	13--98	2	0769-0	33				
6	13--99	2	0769-0	33				
6	13--100	2	0769-0	33				
6	13--101	2	0769-0	33				
6	13--102	2	0769-0	33				
6	13--103	2	0769-0	33				
6	13--104	2	0769-0	33				
6	13--105	2	0769-0	33				
6	13--106	2	0769-0	33				
6	13--107	2	0769-0	33				
6	13--108	2	0769-0	33				
6	13--109	2	0769-0	33				
6	13--110	2	0769-0	33				
6	13--111	2	0769-0	33				
6	13--112	2	0769-0	33				
6	13--113	2	0769-0	33				
6	13--114	2	0769-0	33				
6	13--115	2	0769-0	33				
6	13--116	2	0769-0	33				
6	13--117	2	0769-0	33				
6	13--118	2	0769-0	33				
6	13--119	2	0769-0	33				
6	13--120	2	0769-0	33				
6	13--121	2	0769-0	33				
6	13--122	2	0769-0	33				
6	13--123	2	0769-0	33				
6	13--124	2	0769-0	33				
6	13--125	2	0769-0	33				
6	13--126	2	0769-0	33				
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6	13--128	2	0769-0	33				
6	13--129	2	0769-0	33				
6	13--130	2	0769-0	33				
6	13--131	2	0769-0	33				
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6	13--133	2	0769-0	33				
6	13--134	2	0769-0	33				
6	13--135	2	0769-0	33				
6	13--136	2	0769-0	33				
6	13--137	2	0769-0	33				
6	13--138	2	0769-0	33				
6	13--139	2	0769-0	33				
6	13--140	2	0769-0	33				
6	13--141	2	0769-0	33				
6	13--142	2	0769-0	33				
6	13--143	2	0769-0	33				
6	13--144	2	0769-0	33				
6	13--145	2	0769-0	33				
6	13--146	2	0769-0	33				
6	13--147	2	0769-0	33				
6	13--148	2	0769-0	33				
6	13--149	2	0769-0	33				
6	13--150	2	0769-0	33				
6	13--151	2	0769-0	33				
6	13--152	2	0769-0	33				
6	13--153	2	0769-0	33				
6	13--154	2	0769-0	33				
6	13--155	2	0769-0	33				
6	13--156	2	0769-0	33				
6	13--157	2	0769-0	33				
6	13--158	2	0769-0	33				
6	13--159	2	0769-0	33				
6	13--160	2	0769-0	33				
6	13--161	2	0769-0	33				
6	13--162	2	0769-0	33				
6	13--163	2	0769-0	33				
6	13--164	2	0769-0	33			</	

13-00-00

13-00-00

07-07-00

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	13--08	2	0769-0	1		2338	2086	252
6	13--09	2	1619-0	1		2775	2437	338
6	13--10	2	1837-0	33				
6	14--01	2	0569-0	33				
6	14--02	2	0727-0	1		2469	2074	395
6	14--03	2	1867-0	1		3287	3033	254
6	14--04	2	1519-0	35				
6	14--05	2	1635-0	2	6	3024	2794	230
6	14--06	2	1637-0	1		3073	2616	457
6	14--07	2	1519-0	1		2502	2274	228
6	14--08	2	1837-0	33				
6	14--09	2	1635-0	33				
6	15--02	2	0727-0	1		2522	2056	466
6	15--03	2	0769-0	2	6	2336	2071	265
6	15--04	2	1511-0	2	10	2535	2296	239
6	15--05	2	0867-0	1		4223	3853	370
6	15--06	2	1535-0	1		2646	2411	235
6	15--07	2	1837-0	1		2949	2687	262
6	16--01	2	1839-0	1		2990	2710	280
6	16--02	2	0769-0	33				
6	16--03	2	1837-0	2	10	2914	2683	231
6	16--04	2	1211-0	1		2420	2139	281
6	16--05	2	0867-0	35				
6	16--06	2	1839-0	2	10	2996	2744	252
6	16--07	2	0769-0	1		2184	1926	258
6	16--08	2	1837-0	1		2814	2569	245
6	16--09	2	1635-0	1		3067	2800	267
6	16--10	2	0769-0	2	6	2342	2086	256
6	17--01	2	1115-0	1		2427	2165	262
6	17--02	2	1511-0	1		2358	2076	282
6	17--04	2	0769-0	1		2432	2101	331
6	17--05	2	1635-0	33				
6	17--06	2	1635-0	33				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	17--07	2	0769-0	1		2392	2076	316
6	17--08	2	1837-0	33				
6	17--09	2	1635-0	1		3034	2722	312
6	18--01	2	1837-0	1		2744	2608	136
6	18--02	2	0867-0	1		3817	3556	261
6	18--03	2	0769-0	33				
6	18--04	2	1837-9	31				
6	18--05	2	0769-0	2	6	2261	2076	185
6	18--06	2	1635-0	33				
6	18--07	2	0569-0	1		2030	1766	264
6	18--08	2	1839-0	1		2960	2643	317
6	18--10	2	1839-0	1		3518	3274	244
6	19--01	2	0769-0	1		2408	2115	293
6	19--02	2	0727-0	1		2516	2010	306
6	19--05	2	1837-0	2	6	2786	2519	267
6	19--06	2	1839-0	1		3006	2795	211
6	19--07	2	1839-0	1		2676	2562	314
6	19--08	2	0769-0	33				
6	19--09	2	1819-9	31				
6	20--01	2	1119-0	1		2423	2149	274
6	20--02	2	1867-0	2	10	3126	2908	218
6	20--04	2	1839-0	2	6	2800	2605	195
6	20--05	2	0569-0	1		2129	1840	289
6	20--06	2	1235-0	2	10	2590	2350	240
6	20--08	2	0569-0	2	6	1996	1831	165
6	20--10	2	0569-0	1		2184	1951	233
6	21--01	2	0769-0	1		2380	2101	279
6	21--02	2	1637-0	1		2853	2589	264
6	21--03	2	1519-0	2	10	2474	2300	174
6	21--04	2	1119-0	1		2464	2221	243
6	21--05	2	1119-0	1	10	3562	3120	242

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	21--08	2	1611-0	33				
6	21--09	2	1115-0	1				
6	21--10	2	1611-0	33		2684	2344	346
6	22--01	2	1839-0	35				
6	22--02	2	1837-0	33				
6	22--04	2	0769-0	33				
6	22--05	2	1839-0	2	10	2628	2388	240
6	22--06	2	1519-0	1		2475	2196	279
6	22--07	2	0867-0	1		3631	3535	296
6	22--08	2	0769-0	1		2342	2104	238
6	22--09	2	0527-0	33				
6	22--10	2	1867-0	1		3166	2923	243
6	23--01	2	0867-0	1		4041	3693	348
6	23--02	2	1611-0	33				
6	23--03	2	0769-0	1		2443	2067	376
6	23--04	2	1837-0	2	10	2875	2651	224
6	23--05	2	0769-0	1		2312	2092	220
6	23--06	2	1611-0	33				
6	23--07	2	1839-0	1		2975	2736	239
6	23--08	2	1111-0	1		2328	2079	249
6	23--09	2	1635-0	1		2954	2655	299
6	23--10	2	0769-0	33				
6	24--02	2	0727-0	1		2364	2057	307
6	24--03	2	1645-0	1		3022	2788	234
6	24--04	2	1837-0	1		2816	2547	269
6	24--05	2	0769-0	33				
6	24--07	2	0769-0	1		2307	2092	215
6	25--01	2	0727-0	1		2337	2060	277
6	25--02	2	0769-0	1		2265	2073	192
6	25--03	2	1837-0	2	10	2877	2687	190
6	25--04	2	1519-0	1		2341	2120	221
6	25--05	2	1839-0	2	10	2911	2696	215
6	25--06	2	1511-0	2	6	2303	2085	216

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DEALER - PORTER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	25--07	2	1835-0	1		3242	3011	231
6	25--08	2	0527-0	1		2124	1842	282
6	25--09	2	1837-0	1		2802	2542	260
6	25--10	2	1835-0	1		3621	3411	210
6	26--01	2	1837-0	1		3002	2751	251
6	26--02	2	0867-0	1		3618	3281	337
6	26--03	2	1867-9	31				
6	26--04	2	1839-9	31				
6	26--05	2	0769-0	1		2347	2073	274
6	27--01	3	0867-0	2	10	3908	3677	231
6	27--02	3	1837-0	1		2836	2556	280
6	27--03	3	1637-0	2	6	2662	2450	212
6	27--04	3	1111-0	1		2286	2107	179
6	27--05	3	0769-0	2	10	2137	1913	224
6	27--06	3	1819-0	1		3090	2790	300
6	27--08	3	0727-0	33				
6	27--09	3	0727-0	33				
6	27--10	3	1639-0	1		2664	2467	197
6	28--01	3	1837-0	1		2940	2565	375
6	28--02	3	1511-0	1		2384	2119	265
6	28--03	3	1839-0	1		3124	2729	395
6	28--04	3	0867-0	1		4310	3976	334
6	28--05	3	0867-0	1		4240	3791	449
6	28--06	3	1619-0	33				
6	28--07	3	1837-0	35		3038	2756	282
6	28--08	3	1867-0	1				
6	28--09	3	1837-0	33				
6	28--10	3	1837-0	1		2975	2776	199
6	29--01	3	1635-0	1		2925	2733	192
6	29--02	3	0569-0	1		2194	1935	259
6	29--03	3	1642-0	33				
6	29--04	3	1642-0	33		3219	3036	183

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NET

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	29--06	3	1839-0	33		2960	2700	260
6	29--07	3	1839-0	33		3260	2908	352
6	29--08	3	0727-0	33		2906	2723	183
6	29--09	3	1611-0	1		2889	2670	219
6	29--10	3	1835-0	1		2378	2049	329
6	30--03	3	1839-0	1				
6	30--04	3	1819-0	1				
6	30--05	3	0727-0	1				
6	30--06	3	1839-0	33				
6	30--07	3	1511-0	1		2641	2280	361
6	30--08	3	0727-0	1		2271	2044	227
6	30--09	3	1839-0	1	10	2975	2744	231
6	30--10	3	1511-0	2	6	2406	2210	196
6	31--01	3	1839-0	35				
6	31--02	3	0569-0	2	6	2023	1824	199
6	31--05	3	0769-0	1		2365	2085	280
6	31--06	3	0867-0	1		4680	3917	763
6	31--07	3	1837-0	35				
6	31--08	3	1837-0	1		3221	2792	429
6	31--09	3	1867-0	1		3142	2941	201
6	31--10	3	1837-0	1		3154	2914	240
6	32--01	3	1837-0	1		2703	2479	224
6	32--03	3	1235-0	2	6	2722	2506	216
6	32--04	3	1635-0	33				
6	32--05	3	1837-0	2	6	3045	2726	319
6	32--06	3	1737-0	1		2714	2340	374
6	32--08	3	1639-0	32				
6	33--01	3	1839-0	2	6	3008	2738	270
6	33--02	3	1519-0	2	10	2456	2253	203
6	33--03	3	1837-0	2	10	2870	2659	211
6	33--04	3	1867-0	1		2875	2650	225
6	33--05	3	1111-0	2	6	2274	2082	192
6	33--06	3	1837-0	35				

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DEALER - PORTER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	33--07	3	1837-0	35		2854	2540	314
6	33--09	3	1837-0	1		3175	2877	298
6	33--10	3	1837-0	1		2260	1953	307
6	34--01	3	0769-0	1		2882	2635	247
6	34--02	3	1837-0	1		2822	2604	218
6	34--03	3	1837-0	1		2277	2053	224
6	34--04	3	0769-0	1		2339	2032	307
6	34--05	3	0727-0	1				
6	34--06	3	1839-0	35				
6	34--07	3	1837-0	35		2927	2635	292
6	34--09	3	1637-0	1		2499	2195	304
6	35--01	3	1211-0	1				
6	35--04	3	1837-0	35				
6	35--05	3	0769-0	33				
6	35--06	3	0769-0	33				
6	35--07	3	0769-0	2	6	2285	2092	193
6	35--08	3	0769-0	2	6	2293	2071	222
6	35--09	3	0569-0	1		2119	1886	233
6	36--02	3	0867-0	1		3966	3707	259
6	36--03	3	0727-0	1		2279	2036	243
6	36--04	3	1819-0	1		3012	2736	276
6	36--05	3	1839-0	1		2890	2614	276
6	36--06	3	1837-0	33				
6	36--07	3	1837-9	31				
6	36--08	3	0867-0	1		4205	3893	312
6	36--10	3	1837-0	1		2872	2629	243
6	37--01	3	1837-0	1		3180	2821	359
6	37--02	3	1519-0	1				
6	37--04	3	1835-0	33		3233	2943	290
6	37--06	3	1839-9	31				
6	37--07	3	0867-0	1		3906	3650	256
6	37--08	3	0867-0	1		3210	2890	260
6	37--09	3	0867-0	1		3210	2890	260
6	37--10	3	0867-0	1		3210	2890	260

NET

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	37--10	3	1839-0	2	10	3315	3095	220
6	38--01	3	0769-0	35				222
6	38--02	3	1839-0	1		2765	2543	162
6	38--03	3	1511-0	1		2270	2108	
6	38--04	3	1739-0	35				
6	38--05	3	1837-0	1		2570	2383	187
6	38--06	3	1837-0	1		3011	2740	271
6	38--07	3	0727-0	35				
6	38--08	3	1837-0	35				
6	38--09	3	1545-0	2	6	2665	2467	198
6	39--01	3	1837-0	1		2683	2431	252
6	39--02	3	1837-0	1		3315	2833	482
6	39--04	3	0867-0	1		3750	3522	228
6	39--05	3	0727-0	1		2205	2009	196
6	39--06	3	1839-0	1		3278	3091	187
6	39--07	3	1519-0	1		2516	2331	185
6	39--08	3	1839-0	1		3286	2957	329
6	40--01	3	0727-0	1		2604	2183	421
6	40--02	3	0727-0	1		2307	2057	250
6	40--04	3	1837-0	1		2762	2552	210
6	40--06	3	1611-0	1		2426	2263	163
6	40--07	3	0769-0	1		2149	1942	207
6	40--08	3	0727-0	1		2201	1930	271
6	40--09	3	0727-0	1		2035	1808	227
6	40--10	3	1837-0	1		3121	2873	248
6	41--02	3	1837-0	1		2940	2737	203
6	42--01	4	1837-0	1		2736	2383	353
6	42--02	4	0867-0	1		4229	3894	335
6	42--03	4	1211-0	1		2870	2629	241
6	42--04	4	1839-0	1		2835	2599	236
6	42--05	4	1215-0	35				
6	42--06	4	1837-0	1		2907	2563	344
6	42--07	4	1511-0	33				

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	42--08	4	1839-0	2	6	2760	2583	177
6	42--10	4	0727-0	1		2220	1900	320
6	43--01	4	1837-0	1		2975	2656	319
6	43--02	4	0727-0	1		2212	2016	196
6	43--03	4	1121-0	33				
6	43--04	4	1121-0	33				
6	43--05	4	0769-0	1				
6	43--06	4	0727-0	1		2325	2076	249
6	43--07	4	1837-0	1		2319	2057	262
6	43--08	4	1611-0	1		2896	2616	280
6	43--09	4	0727-0	1		2426	2263	163
6	44--01	4	1619-0	33		2250	2010	240
6	44--02	4	0727-0	33				
6	44--03	4	1837-0	2	6	3061	2854	207
6	44--04	4	1837-0	1		2744	2507	237
6	44--05	4	1839-0	1		3010	2685	325
6	44--06	4	0527-0	1		2156	1877	279
6	44--08	4	1121-0	33				
6	44--09	4	1121-0	33				
6	44--10	4	1837-0	2	6	2627	2437	190
6	44--11	4	1837-0	33				
6	45--01	4	1111-0	1		2045	1914	131
6	45--03	4	0569-0	1		2145	1845	300
6	45--04	4	1619-0	1		2575	2407	168
6	45--05	4	1837-0	35				
6	45--06	4	1119-0	2	6	2283	2140	143
6	45--07	4	1839-0	1		3010	2662	348
6	45--08	4	1837-0	1		2818	2632	186
6	45--09	4	1835-0	1		3579	3251	328
6	45--10	4	1839-0	1		2910	2687	223
6	46--01	4	1837-0	35				
6	46--02	4	0527-0	2	6	2780	2584	194
6	46--03	4	0527-0	2		2148	1905	203

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NET

DEALER NO.	P.G. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	46--04	4	1611-0	1		2571	2379	192
6	46--05	4	1835-0	1		3153	2997	156
6	46--06	4	1839-0	2	6	2937	2719	218
6	46--07	4	0769-0	1		2306	1990	316
6	46--08	4	1837-0	1		2790	2651	139
6	46--09	4	1837-0	1		3218	2881	337
6	46--10	4	1611-0	1		2651	2453	198
6	47--01	4	1837-0	1		2918	2661	257
6	47--02	4	0867-0	1		4223	3894	329
6	47--03	4	0527-0	1		2039	1833	206
6	47--05	4	1837-0	1		2825	2583	242
6	47--06	4	0727-0	1		2541	2160	381
6	47--07	4	0727-0	35				
6	47--08	4	1635-0	1		3336	3019	317
6	47--09	4	1635-0	33				
6	48--01	4	1839-0	1		3037	2731	306
6	48--03	4	0527-0	33				
6	48--04	4	0769-0	1		2328	2109	219
6	48--05	4	1837-0	1		2894	2610	284
6	48--06	4	0727-0	1		2207	1953	254
6	48--07	4	1111-0	1		2490	2107	383
6	48--08	4	1837-0	1		2914	2737	177
6	48--10	4	0769-0	1		2285	2086	199
6	49--02	4	0769-0	2	6	2266	2101	165
6	49--03	4	0867-0	1		4332	4014	318
6	49--04	4	1635-0	1		3050	2933	117
6	49--05	4	1119-0	1		2191	1994	197
6	49--06	4	1867-0	1		3125	2823	302
6	49--07	4	1611-9	31				
6	50--01	4	0769-0	1		2318	2061	257
6	50--02	4	0727-0	33				
6	50--04	4	1121-0	33				
6	50--05	4	0527-0	1		2117	1904	213

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	50--07	4	1837-0	1		2802	2597	205
6	50--08	4	0727-0	1		2272	2057	215
6	50--09	4	0727-0	1		2514	2144	370
6	51--01	4	0769-0	33				
6	51--02	4	0769-0	2	6	2258	2079	179
6	51--03	4	0727-0	1		2224	2050	174
6	51--04	4	1837-0	35				
6	51--05	4	0727-0	1		2290	2057	233
6	51--06	4	1837-0	2	6	2852	2671	181
6	51--07	4	0867-0	1		3932	3688	244
6	51--08	4	0867-0	1		3702	3458	244
6	51--09	4	0867-0	1		3271	3027	244
6	51--10	4	1837-0	1		3488	3031	457
6	52--03	4	1837-0	1		2989	2748	241
6	53--01	5	0769-0	1		2404	2081	323
6	53--02	5	1837-0	1		2710	2493	217
6	53--03	5	1645-0	33				
6	53--04	5	0867-0	1		3981	3676	305
6	53--07	5	1519-0	1		2562	2344	218
6	53--08	5	1619-9	31				
6	54--01	5	1519-0	33				
6	54--02	5	1837-0	32				
6	54--04	5	1867-0	1		3129	2878	251
6	54--05	5	0769-0	1		2231	1989	242
6	54--06	5	0867-0	1		3688	3501	187
6	54--07	5	0727-0	1		2524	2152	372
6	54--08	5	1837-0	1		3174	2774	400
6	54--09	5	1839-0	1		2955	2737	218
6	54--10	5	1837-0	1		2812	2579	233
6	54--11	5	1111-0	1		2262	2081	181
6	54--12	5	1837-0	35				
6	54--13	5	1111-0	1		2404	2070	334
6	54--14	5	1111-0	1		2512	2012	207

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	55--03	5	1819-0	33				
6	55--04	5	1837-0	1			2648	255
6	55--05	5	1519-0	1		2903	2263	211
6	55--06	5	1219-0	1		2474	2157	176
6	55--07	5	1119-0	1		2333	2026	120
6	55--08	5	1839-0	35		2146		
6	55--09	5	1511-0	2	10	2308	2173	135
6	55--10	5	0727-0	33				
6	56--02	5	1635-0	1				
6	56--03	5	1219-0	33		3129	2830	299
6	56--08	5	0727-0	32				
6	56--09	5	1837-0	1				
6	57--02	5	1839-0	1		3011	2647	364
6	57--03	5	1837-0	1		2844	2604	240
6	57--04	5	1837-0	1		2808	2589	219
6	57--05	5	0727-0	1		2825	2615	210
6	57--06	5	1235-0	1		2099	1905	194
6	57--07	5	1635-0	2	6	2519	2358	161
6	57--08	5	1535-0	33				
6	57--09	5	1819-0	1		2493	2332	161
6	57--10	5	0527-0	1		2898	2674	224
6	58--01	5	1111-0	1		2081	1890	191
6	58--02	5	0727-0	1		2041	1882	159
6	58--03	5	1837-0	1		2188	2043	145
6	58--04	5	0727-0	1		3092	2899	193
6	58--05	5	0727-0	1		2099	1917	182
6	58--06	5	1135-0	1		2282	2029	253
6	58--07	5	0867-0	1		2742	2472	270
6	58--09	5	1839-0	1		3757	3337	420
6	58--10	5	0867-0	1		3344	3082	262
6	59--01	5	0569-0	1		4121	3924	197
6	59--02	5	0527-0	2	6	2142	1982	160
6	59--03	5	1837-0	1		2239	1969	270
6		5		1		3047	2854	193

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	59--04	5	0769-0	1		2117	1954	163
6	59--05	5	0727-0	1		2193	2033	160
6	59--06	5	1837-0	1		3134	2975	159
6	59--07	5	0727-0	1		2067	1902	165
6	59--08	5	1837-0	33				
6	59--09	5	1834-0	1		2601	2462	139
6	60--01	5	0727-0	1		2106	1951	155
6	60--02	5	0727-0	1		2168	2024	144
6	60--03	5	0527-0	33				
6	60--04	5	0867-0	1		4212	3902	310
6	60--05	5	1111-0	1		2280	2066	214
6	60--06	5	0769-0	1		2280	2102	178
6	60--07	5	1835-0	33				
6	60--08	5	1645-0	33				
6	60--09	5	1135-0	1				
6	60--11	5	1837-0	1		2403	2232	171
6	61--01	5	0727-0	1		2790	2578	212
6	61--02	5	1519-0	1		2089	1891	198
6	61--03	5	0727-0	1		2235	2021	214
6	61--04	5	1837-0	1		2493	2163	330
6	62--01	6	1619-0	1		3055	2793	262
6	62--02	6	1635-0	1		2482	2306	176
6	62--03	6	1839-0	2		2943	2722	221
6	62--04	6	0867-0	1	10	2886	2717	169
6	62--05	6	1635-0	1		3729	3480	249
6	62--06	6	1839-0	33				
6	62--07	6	1839-0	33				
6	62--08	6	0727-0	1	6	2919	2626	293
6	62--09	6	0769-0	33		2202	2042	160
6	62--10	6	1237-0	1				
6	62--11	6	1837-0	1				
6	62--12	6	1837-0	1				
6	62--13	6	1837-0	1				
6	62--14	6	1837-0	1				
6	62--15	6	1837-0	1				
6	62--16	6	1837-0	1				
6	62--17	6	1837-0	1				
6	62--18	6	1837-0	1				
6	62--19	6	1837-0	1				
6	62--20	6	1837-0	1				
6	62--21	6	1837-0	1				
6	62--22	6	1837-0	1				
6	62--23	6	1837-0	1				
6	62--24	6	1837-0	1				
6	62--25	6	1837-0	1				
6	62--26	6	1837-0	1				
6	62--27	6	1837-0	1				
6	62--28	6	1837-0	1				
6	62--29	6	1837-0	1				
6	62--30	6	1837-0	1				
6	62--31	6	1837-0	1				
6	62--32	6	1837-0	1				
6	62--33	6	1837-0	1				
6	62--34	6	1837-0	1				
6	62--35	6	1837-0	1				
6	62--36	6	1837-0	1				
6	62--37	6	1837-0	1				
6	62--38	6	1837-0	1				
6	62--39	6	1837-0	1				
6	62--40	6	1837-0	1				
6	62--41	6	1837-0	1				
6	62--42	6	1837-0	1				
6	62--43	6	1837-0	1				
6	62--44	6	1837-0	1				
6	62--45	6	1837-0	1				
6	62--46	6	1837-0	1				
6	62--47	6	1837-0	1				
6	62--48	6	1837-0	1				
6	62--49	6	1837-0	1				
6	62--50	6	1837-0	1				
6	62--51	6	1837-0	1				
6	62--52	6	1837-0	1				
6	62--53	6	1837-0	1				
6	62--54	6	1837-0	1				
6	62--55	6	1837-0	1				
6	62--56	6	1837-0	1				
6	62--57	6	1837-0	1				
6	62--58	6	1837-0	1				
6	62--59	6	1837-0	1				
6	62--60	6	1837-0	1				
6	62--61	6	1837-0	1				
6	62--62	6	1837-0	1				
6	62--63	6	1837-0	1				
6	62--64	6	1837-0	1				
6	62--65	6	1837-0	1				
6	62--66	6	1837-0	1				
6	62--67	6	1837-0	1				
6	62--68	6	1837-0	1				
6	62--69	6	1837-0	1				
6	62--70	6	1837-0	1				
6	62--71	6	1837-0	1				
6	62--72	6	1837-0	1				
6	62--73	6	1837-0	1				
6	62--74	6	1837-0	1				
6	62--75	6	1837-0	1				
6	62--76	6	1837-0	1				
6	62--77	6	1837-0	1				
6	62--78	6	1837-0	1				
6	62--79	6	1837-0	1				
6	62--80	6	1837-0	1				
6	62--81	6	1837-0	1				
6	62--82	6	1837-0	1				
6	62--83	6	1837-0	1				
6	62--84	6	1837-0	1				
6	62--85	6	1837-0	1				
6	62--86	6	1837-0	1				
6	62--87	6	1837-0	1				
6	62--88	6	1837-0	1				
6	62--89	6	1837-0	1				
6	62--90	6	1837-0	1				
6	62--91	6	1837-0	1				
6	62--92	6	1837-0	1				
6	62--93	6	1837-0	1				
6	62--94	6	1837-0	1				
6	62--95	6	1837-0	1				
6	62--96	6	1837-0	1				
6	62--97	6	1837-0	1				
6	62--98	6	1837-0	1				
6	62--99	6	1837-0	1				
6	62--100	6	1837-0	1				

DEALER NO.	P.G. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	63--04	6	1837-0	1		2802	2598	204
6	63--05	6	1645-0	1		3163	2965	198
6	63--06	6	0727-0	1		2074	1891	183
6	63--08	6	1635-0	1		2955	2714	241
6	63--09	6	1635-0	1		2703	2518	185
6	63--10	6	0927-0	1		2550	2171	379
6	63--11	6	1837-0	35				
6	64--01	6	1219-0	2	6	2262	2094	168
6	64--02	6	1837-0	2	6	2685	2510	175
6	64--03	6	1211-0	1		2295	2156	139
6	64--04	6	0867-0	1		3693	3526	167
6	64--05	6	1835-0	1		3477	3127	350
6	64--06	6	1839-0	1		3028	2758	270
6	64--07	6	1511-0	33				
6	64--08	6	1635-0	1		2944	2787	157
6	64--09	6	1235-0	2	6	2622	2456	166
6	65--01	6	1115-0	1		2417	2219	198
6	65--02	6	1839-0	33				
6	65--03	6	1837-0	1		2860	2669	191
6	65--04	6	1839-0	1		3142	2889	253
6	65--05	6	1837-0	2		2982	2739	243
6	65--07	6	1611-0	33	6			
6	65--08	6	1611-0	33				
6	65--09	6	1235-0	1		2901	2631	270
6	65--10	6	0769-0	1		2258	2053	205
6	65--11	6	1837-0	1		2807	2614	193
6	66--02	6	1837-0	1		2717	2550	167
6	66--03	6	1839-0	1		2793	2624	169
6	66--04	6	1111-0	1	6	2119	1980	139
6	66--05	6	1837-0	2				
6	66--06	6	1837-0	35				
6	66--07	6	1837-0	1		2698	2560	138
6	66--10	6	1619-0	1		2575	2427	148

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[fol. 1766]

DEALER - PORTER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	67--01	6	1837-0	1		2788	2479	309
6	67--02	6	1837-0	1		2796	2595	201
6	67--03	6	1837-0	1		2905	2693	212
6	67--04	6	0527-0	33				
6	67--05	6	1545-0	2	6	2775	2610	165
6	67--06	6	0927-0	1		2514	2157	357
6	67--07	6	1837-0	1		3378	3042	336
6	67--08	6	1837-0	1		2975	2747	228
6	67--09	6	1635-0	1		2818	2650	168
6	67--10	6	1839-0	1		3564	3384	180
6	67--11	6	1839-0	33				
6	68--01	6	1211-0	1		2233	2094	139
6	68--02	6	1837-0	1		2705	2524	181
6	68--03	6	0769-0	1		2264	2070	194
6	68--04	6	0727-0	1		2181	2012	169
6	68--05	6	0769-0	1		2366	2092	274
6	68--06	6	0727-0	1		2366	2024	342
6	68--07	6	1219-0	33				
6	68--08	6	1619-0	1		2554	2366	188
6	68--09	6	1739-0	35				
6	68--10	6	1611-0	1		2541	2359	182
6	68--11	6	1635-0	1		3037	2878	159
6	69--01	6	1545-0	1		2732	2493	239
6	69--02	6	0769-0	1		2302	2119	183
6	69--03	6	1535-0	1		2607	2440	167
6	69--04	6	1837-0	35				
6	69--05	6	1819-0	1		2764	2603	161
6	69--06	6	0527-0	1		1992	1854	138
6	69--07	6	1837-0	1		2666	2528	138
6	69--08	6	1837-0	1		2791	2628	163
6	69--09	6	1837-0	1		2822	2627	107
6	69--10	6	1837-0	1		2785	2627	163
6	69--11	6	1837-0	1		2785	2627	163

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NET

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	70--04	6	0727-0	1		1956	1841	115
6	70--05	6	1119-0	33				
6	70--06	6	1619-0	1		2546	2369	177
6	70--07	6	1837-0	1		3422	3147	275
6	70--08	6	1867-0	32				
6	70--09	6	0727-0	1				
6	70--10	6	0769-0	1		2096	1951	145
6	71--01	6	1837-0	1		2182	2048	134
6	71--02	6	1737-0	1		2946	2739	207
6	71--03	6	1835-0	1		2579	2374	205
6	71--05	6	1837-0	1		3151	3007	144
6	71--06	6	1111-0	1		2776	2564	212
6	71--07	6	0927-0	1		2267	2126	141
6	71--09	6	1819-0	1		2334	1999	335
6	71--10	6	0867-0	1		2774	2568	206
6	71--11	6	0927-0	2	10	3815	3583	232
6	72--01	6	0867-0	1		2392	2087	305
6	73--01	7	1837-0	1		4083	3906	177
6	73--02	7	1839-0	1		2854	2679	175
6	73--03	7	1111-0	1		2974	2769	205
6	73--04	7	0727-0	1		2319	2065	254
6	73--05	7	1535-0	1		2119	1971	148
6	73--06	7	1511-0	1		2615	2471	144
6	73--07	7	1211-0	2	6	2370	2221	149
6	73--08	7	0727-0	1		2196	2064	132
6	73--09	7	0727-0	1		2107	1983	124
6	73--10	7	1839-0	1		2331	2161	170
6	73--11	7	0769-0	1		2877	2691	186
6	74--01	7	0769-0	33		2149	2002	147
6	74--02	7	0769-0	33				
6	74--04	7	1839-0	1				
6	74--05	7	1645-0	2	10	3076	2842	234
6	74--06	7	1837-0	35		2950	2784	166

•SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	74--07	7	1867-0	1		3524	3083	441
6	74--08	7	1859-0	1		2837	2632	205
6	74--10	7	0927-0	1		2506	2191	315
6	75--03	7	0769-0	1		2484	2087	397
6	75--04	7	1119-0	1		2279	2136	143
6	75--05	7	0569-0	2		2200	2029	171
6	75--07	7	0727-0	1	6	2168	1940	228
6	75--08	7	1211-0	33				
6	75--09	7	1835-0	1		3212	3068	144
6	75--10	7	0867-0	1		4228	3906	322
6	76--01	7	0727-0	2	6	2102	1956	146
6	76--02	7	1111-0	1		2304	2150	154
6	76--03	7	1837-0	1		2750	2592	158
6	76--04	7	0727-0	1		2130	1930	200
6	76--05	7	1837-0	2	6	2932	2704	228
6	76--06	7	0569-0	1		2156	1927	229
6	76--07	7	0769-0	1		2245	2075	170
6	76--08	7	1115-0	1		2313	2182	131
6	76--09	7	0727-0	1		2204	2024	180
6	77--01	7	0727-0	1		2132	2042	90
6	77--04	7	0727-0	1		2109	1910	199
6	77--05	7	0727-0	1		2032	1909	123
6	77--07	7	1837-0	1		2548	2365	183
6	77--08	7	1519-0	1		2270	2091	179
6	77--09	7	1211-0	1		2404	2206	198
6	77--10	7	1867-0	1		3233	2941	292
6	77--11	7	1135-0	1		2460	2260	200
6	77--12	7	1611-0	2	6	2454	2300	154
6	78--01	7	0727-0	1		2100	1956	144
6	78--02	7	1637-0	1		2624	2435	189
6	78--03	7	0927-0	1		2365	2087	278
6	78--04	7	0927-0	1				
6	78--05	7	0927-0	1				
6	78--06	7	0927-0	1				
6	78--07	7	0927-0	1				
6	78--08	7	0927-0	1				
6	78--09	7	0927-0	1				
6	78--10	7	0927-0	1				
6	78--11	7	0927-0	1				
6	78--12	7	0927-0	1				
6	78--13	7	0927-0	1				
6	78--14	7	0927-0	1				
6	78--15	7	0927-0	1				
6	78--16	7	0927-0	1				
6	78--17	7	0927-0	1				
6	78--18	7	0927-0	1				
6	78--19	7	0927-0	1				
6	78--20	7	0927-0	1				
6	78--21	7	0927-0	1				
6	78--22	7	0927-0	1				
6	78--23	7	0927-0	1				
6	78--24	7	0927-0	1				
6	78--25	7	0927-0	1				
6	78--26	7	0927-0	1				
6	78--27	7	0927-0	1				
6	78--28	7	0927-0	1				
6	78--29	7	0927-0	1				
6	78--30	7	0927-0	1				
6	78--31	7	0927-0	1				
6	78--32	7	0927-0	1				
6	78--33	7	0927-0	1				
6	78--34	7	0927-0	1				
6	78--35	7	0927-0	1				
6	78--36	7	0927-0	1				
6	78--37	7	0927-0	1				
6	78--38	7	0927-0	1				
6	78--39	7	0927-0	1				
6	78--40	7	0927-0	1				
6	78--41	7	0927-0	1				
6	78--42	7	0927-0	1				
6	78--43	7	0927-0	1				
6	78--44	7	0927-0	1				
6	78--45	7	0927-0	1				
6	78--46	7	0927-0	1				
6	78--47	7	0927-0	1				
6	78--48	7	0927-0	1				
6	78--49	7	0927-0	1				
6	78--50	7	0927-0	1				
6	78--51	7	0927-0	1				
6	78--52	7	0927-0	1				
6	78--53	7	0927-0	1				
6	78--54	7	0927-0	1				
6	78--55	7	0927-0	1				
6	78--56	7	0927-0	1				
6	78--57	7	0927-0	1				
6	78--58	7	0927-0	1				
6	78--59	7	0927-0	1				
6	78--60	7	0927-0	1				
6	78--61	7	0927-0	1				
6	78--62	7	0927-0	1				
6	78--63	7	0927-0	1				
6	78--64	7	0927-0	1				
6	78--65	7	0927-0	1				
6	78--66	7	0927-0	1				
6	78--67	7	0927-0	1				
6	78--68	7	0927-0	1				
6	78--69	7	0927-0	1				
6	78--70	7	0927-0	1				
6	78--71	7	0927-0	1				
6	78--72	7	0927-0	1				
6	78--73	7	0927-0	1				
6	78--74	7	0927-0	1				
6	78--75	7	0927-0	1				
6	78--76	7	0927-0	1				
6	78--77	7	0927-0	1				
6	78--78	7	0927-0	1				
6	78--79	7	0927-0	1				
6	78--80	7	0927-0	1				
6	78--81	7	0927-0	1				
6	78--82	7	0927-0	1				
6	78--83	7	0927-0	1				
6	78--84	7	0927-0	1				
6	78--85	7	0927-0	1				
6	78--86	7	0927-0	1				
6	78--87	7	0927-0	1				
6	78--88	7	0927-0	1				
6	78--89	7	0927-0	1				
6	78--90	7	0927-0	1				
6	78--91	7	0927-0	1				
6	78--92	7	0927-0	1				
6	78--93	7	0927-0	1				
6	78--94	7	0927-0	1				
6	78--95	7	0927-0	1				
6	78--96	7	0927-0	1				
6	78--97	7	0927-0	1				
6	78--98	7	0927-0	1				
6	78--99	7	0927-0	1				
6	78--100	7	0927-0	1				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	78--06	7	0927-0	1		2490	2185	305
6	78--07	7	1111-0	1		2156	1955	201
6	78--08	7	0927-0	1		2402	2087	315
6	78--09	7	1837-0	1		2783	2639	144
6	79--03	7	1111-0	1		2289	2126	163
6	79--04	7	1235-0	1		2513	2272	241
6	79--05	7	1837-0	1		2776	2622	154
6	79--06	7	1635-0	1		2943	2783	160
6	79--07	7	1837-0	1		2673	2506	167
6	79--10	7	0569-0	1		2036	1885	151
6	80--01	7	0927-0	1		2534	2208	326
6	80--02	7	0727-0	1		2131	1899	232
6	80--03	7	1837-0	1		3551	3221	330
6	80--04	7	1837-0	1		2618	2333	285
6	80--07	7	0927-0	1		2516	2171	345
6	80--08	7	1635-0	1		2839	2679	160
6	80--09	7	1837-0	1		2920	2701	219
6	80--10	7	1839-0	33				
6	80--11	7	0727-0	1		2135	1966	169
6	81--01	7	1619-0	1		2618	2417	201
6	81--03	7	1645-0	33				
6	81--04	7	1837-0	33				
6	81--05	7	1837-0	1		2576	2413	163
6	81--07	7	0927-0	1		2370	2012	358
6	81--08	7	0927-0	1		2452	2192	260
6	81--09	7	1837-0	1		2791	2591	200
6	81--10	7	0727-0	1		2094	1951	143
6	82--01	7	0867-0	1		3788	3523	265
6	82--02	7	1221-0	1		2738	2472	266
6	82--03	7	0769-0	1		2113	1959	154
6	82--04	7	1635-0	1		2938	2784	154
6	82--05	7	1839-0	1		2865	2657	208
6	82--06	7	1839-0	1		3026	2795	231

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	82--07	7	0569-0	1		2019	1824	195
6	82--08	7	1219-0	33				
6	82--09	7	1235-0	35				
6	82--10	7	0727-0	1		2240	1988	252
6	83--01	7	1831-0	1		3132	2773	359
6	83--02	7	1837-0	1		3484	3228	256
6	83--03	7	0727-0	1		2233	2022	211
6	83--04	7	0727-0	1		2536	2326	210
6	83--05	7	1619-0	1		2287	2101	186
6	83--06	7	0769-0	1		2680	2510	170
6	83--07	7	1837-0	1		2389	2072	317
6	84--03	7	0769-0	32				
6	84--04	7	1637-0	1		3255	3018	237
6	85--01	8	1135-0	1		2441	2284	157
6	85--02	8	0927-0	1		2590	2185	405
6	85--03	8	0927-0	1		2226	2019	207
6	85--04	8	0927-0	1		2500	2190	310
6	85--05	8	1637-0	1		2856	2659	197
6	85--06	8	1635-0	1		2974	2737	237
6	85--07	8	0527-0	1		2100	1713	387
6	85--08	8	0769-0	1		2196	1995	201
6	85--09	8	0867-0	1		3744	3369	375
6	85--10	8	1837-0	1		2952	2775	177
6	86--01	8	0727-0	1		2218	2097	121
6	86--02	8	1837-0	2	6	2672	2512	160
6	86--03	8	1837-0	1		2596	2421	175
6	86--04	8	1635-0	1		2758	2611	147
6	86--06	8	0867-0	1		4087	3941	146
6	86--07	8	0569-0	1		2134	1887	247
6	86--08	8	0769-0	1		2330	2076	254
6	86--09	8	1839-0	1		2858	2741	117
6	86--10	8	1839-0	1		2928	2811	110
6	86--11	8	1839-0	1		2928	2811	110

00-12 00-13 00-14 00-15 00-16 00-17 00-18 00-19 00-20 00-21 00-22 00-23 00-24 00-25 00-26 00-27 00-28 00-29 00-30 00-31 00-32 00-33 00-34 00-35 00-36 00-37 00-38 00-39 00-40 00-41 00-42 00-43 00-44 00-45 00-46 00-47 00-48 00-49 00-50 00-51 00-52 00-53 00-54 00-55 00-56 00-57 00-58 00-59 00-60 00-61 00-62 00-63 00-64 00-65 00-66 00-67 00-68 00-69 00-70 00-71 00-72 00-73 00-74 00-75 00-76 00-77 00-78 00-79 00-80 00-81 00-82 00-83 00-84 00-85 00-86 00-87 00-88 00-89 00-90 00-91 00-92 00-93 00-94 00-95 00-96 00-97 00-98 00-99 00-100

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	86--12	8	1837-0	1		2850	2570	280
6	87--01	8	1837-0	1		3339	2975	364
6	87--02	8	1837-0	1		2882	2746	136
6	87--03	8	0769-0	1		2131	2075	56
6	87--04	8	1839-0	1		2832	2651	181
6	87--05	8	0727-0	1		2172	2004	168
6	87--06	8	1519-0	1		2454	2272	182
6	87--07	8	1837-0	1		3178	2964	214
6	87--08	8	0769-0	1		2232	2055	177
6	87--09	8	1111-0	1		2150	1984	166
6	87--10	8	1211-0	2	6			
6	88--01	8	0727-0	33				
6	88--02	8	0569-0	1		2173	2049	124
6	88--03	8	1119-0	1		2121	2014	107
6	88--04	8	0569-0	1		2283	2117	166
6	88--05	8	0727-0	1		1997	1845	152
6	88--06	8	0769-0	1		2210	1965	245
6	88--07	8	0927-0	1		2308	2078	230
6	88--08	8	1635-0	1		2489	2089	400
6	88--09	8	0727-0	1		2917	2740	177
6	88--10	8	0727-0	33				
6	89--02	8	0727-0	1		2174	1926	248
6	89--03	8	1839-0	1		2071	1908	163
6	89--04	8	1511-0	1		2900	2665	235
6	89--05	8	1837-0	1		2209	2077	132
6	89--06	8	0769-0	1		3118	2765	353
6	89--07	8	0727-0	1		2311	2091	220
6	89--08	8	0727-0	2	5	2195	2019	176
6	90--01	8	0727-0	1		2125	1937	188
6	90--02	8	0769-0	1		2232	2027	205
6	90--03	8	0927-0	1		2177	2011	166
6	90--04	8	1839-0	1		2471	2171	300
6	90--05	8	1837-0	1		3152	3003	149
6		8		1		3010	2748	262

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	90--06	8	1837-0	1		2836	2626	210
6	90--07	8	1867-0	1		2883	2724	159
6	90--08	8	0527-0	1		2007	1846	161
6	90--09	8	1737-0	2	6	2451	2257	194
6	91--01	8	1837-0	1		2905	2743	162
6	91--02	8	1519-0	1		2546	2300	246
6	91--03	8	1235-0	1		2775	2567	208
6	91--04	8	1235-0	1		2535	2347	188
6	91--05	8	1837-0	1		3125	2848	277
6	91--09	8	1837-0	1		3050	2722	328
6	91--10	8	0727-0	1		2139	1937	202
6	91--11	8	1837-0	1		2913	2663	250
6	91--12	8	1835-0	1		3196	3005	191
6	92--01	8	1837-0	1		2918	2656	262
6	92--02	8	0727-0	1		2200	1934	266
6	92--03	8	1511-0	1		2284	2093	191
6	92--04	8	0727-0	1		2219	1938	281
6	92--05	8	1635-0	1		3116	2944	172
6	92--06	8	1839-0	1		2743	2622	121
6	92--08	8	0727-0	1		2187	2051	136
6	92--09	8	1837-0	2	6	2858	2605	253
6	92--10	8	1839-0	1		2792	2659	133
6	93--01	8	0867-0	1		3474	3381	93
6	93--02	8	1635-0	1		2964	2794	170
6	93--03	8	1867-0	1		2914	2824	90
6	93--04	8	0769-0	1		2097	1935	162
6	93--05	8	1535-0	1		2610	2452	158
6	93--06	8	1635-0	1		2942	2710	232
6	93--07	8	1835-0	1		3384	3260	124
6	93--09	8	1837-0	1		3242	3054	188
6	93--10	8	1839-0	1		2854	2651	203
6	93--11	8	1837-0	1		2844	2504	40
6	93--12	8	1837-0	1		2844	2504	40

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	95--02	9	0727-0	1		2303	2034	269
6	95--03	9	1135-0	1		2380	2275	105
6	95--04	9	0769-0	2	10	2206	2084	122
6	95--05	9	0727-0	1		2128	2023	105
6	95--06	9	0769-0	1		2181	2076	105
6	95--07	9	1839-0	1		2870	2751	119
6	95--08	9	0569-0	1		2187	1985	202
6	95--09	9	1111-0	1		2044	1915	129
6	96--01	9	1837-0	1		2816	2635	181
6	96--02	9	1111-0	1		2224	2091	133
6	96--03	9	1839-0	1		2879	2741	138
6	96--04	9	1739-0	1		2670	2447	223
6	96--05	9	1837-0	1		2582	2446	136
6	96--06	9	0727-0	2	6	1955	1832	123
6	96--07	9	1211-0	1		2439	2287	152
6	96--08	9	1519-0	2	10	2345	2242	103
6	96--09	9	0769-0	1		2241	2081	160
6	96--10	9	1619-0	1		2500	2382	118
6	96--11	9	1837-0	1		2743	2576	167
6	97--01	9	0727-0	1		2197	2049	148
6	97--02	9	0769-0	1		2167	2051	116
6	97--03	9	1215-0	1		2495	2411	84
6	97--04	9	0769-0	33				
6	97--05	9	0769-0	1		2778	2654	124
6	97--06	9	1837-0	1		2146	1985	161
6	97--07	9	1111-0	1		2669	2519	150
6	97--08	9	1837-0	1		3151	2966	185
6	97--09	9	1867-0	1		2070	1967	103
6	97--10	9	1119-0	2	10	2792	2675	117
6	97--11	9	1819-0	2	10	2384	2273	111
6	98--01	9	1519-0	2	6	2441	2040	401
6	98--02	9	0769-0	2		2200	2086	114
6	98--03	9	1837-0	1		3033	3011	22
6	98--04	9	0769-0	1				
6	98--05	9	1837-0	1				
6	98--06	9	1837-0	1				

SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	98--08	9	1835-0	1		3645	3388	257
6	98--09	9	0769-0	1		2213	2011	202
6	98--10	9	1135-0	1		2581	2415	166
6	98--11	9	1837-0	2	10	2722	2593	129
6	99--01	9	1839-0	1		2822	2716	106
6	99--02	9	1837-0	1		2824	2655	169
6	99--03	9	1235-0	1		2766	2645	121
6	99--04	9	0769-0	1		2034	1888	146
6	99--07	9	1119-0	1		2172	2057	115
6	99--08	9	1837-0	1		2712	2575	137
6	99--09	9	1619-0	1		2518	2484	34
6	99--10	9	0769-0	1		2343	2078	265
6	100--01	9	1837-0	1		2889	2773	116
6	100--02	9	0867-0	1		4000	3918	82
6	100--03	9	0569-0	2	10	2086	1968	118
6	100--04	9	1839-0	1		2917	2760	157
6	100--05	9	1611-0	1		2369	2243	126
6	100--06	9	1635-0	1		2850	2743	107
6	100--07	9	1639-0	1		2823	2610	213
6	100--08	9	0727-0	1		2181	2032	149
6	100--09	9	1537-0	1		2405	2247	158
6	100--10	9	1839-0	1		2787	2632	155
6	101--01	9	1115-0	2	10	2317	2211	106
6	101--02	9	0769-0	1		2064	1913	151
6	101--03	9	1839-0	1		2734	2616	118
6	101--04	9	1839-0	1		2741	2566	175
6	101--06	9	0727-0	1		2193	1974	219
6	101--07	9	1219-0	1		2249	2147	102
6	101--08	9	0769-0	1		2260	2102	158
6	101--09	9	1119-0	1		2094	1997	97
6	102--01	9	1839-0	2		2763	2621	142
6	102--02	9	1935-0	1	6	2928	2822	76
6	102--03	9	1935-0	1		2155	2155	75

103-05 2 1035-0 1 2852 2152 76 05

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	102--07	9	1519-0	1		2200	2089	111
6	102--08	9	0727-0	1		2355	2131	224
6	102--09	9	0727-0	1		2085	1884	201
6	102--10	9	0727-0	1		2100	1936	164
6	103--01	9	0769-0	1		2208	2052	156
6	103--02	9	1839-0	1		3000	2824	176
6	103--03	9	1737-0	1		2622	2473	149
6	103--04	9	0769-0	1		2210	2062	148
6	103--05	9	1837-0	1		3320	3165	155
6	103--06	9	1837-0	1		2753	2587	166
6	103--07	9	1111-0	2	10	2150	2031	119
6	103--08	9	0569-0	32				
6	103--09	9	1839-0	2	6	2920	2746	174
6	104--03	9	1235-0	1		2657	2505	152
6	104--04	9	0769-0	1		2205	2052	153
6	104--05	9	0727-0	1		2036	1903	133
6	104--06	9	1839-0	1		2788	2672	116
6	104--07	9	1639-0	1		2672	2377	295
6	104--08	9	1619-0	1		2626	2487	139
6	104--09	9	0727-0	1		2115	1968	147
6	105--01	10	1511-0	1		2144	2056	88
6	105--02	10	0867-0	1		3849	3676	173
6	105--04	10	1837-0	1		2767	2626	141
6	105--05	10	1211-0	31				
6	105--06	10	0769-0	31				
6	105--07	10	1837-0	31				
6	105--08	10	1537-0	31				
6	105--09	10	0867-0	31				
6	105--10	10	1635-0	31				
6	106--01	10	0769-0	31				
6	106--03	10	1619-0	31				
6	106--04	10	0769-1	33				
6	106--05	10	1635-0	31				

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	106--06	10	1619-0	31				
6	106--07	10	1639-0	31				
6	106--08	10	1845-1	1		3738	3067	671
6	106--11	10	1511-0	31				
6	107--01	10	0867-1	33				
6	107--03	10	0769-1	1		2550	2071	479
6	107--04	10	0867-1	1		4252	3704	548
6	107--05	10	0927-1	1		2689	2206	483
6	107--06	10	1737-1	34	1			
6	107--07	10	1255-0	31				
6	107--08	10	1869-1	1		2955	2734	221
6	107--10	10	0727-1	2	6	2189	1939	250
6	108--01	10	0927-1	1		2360	2040	320
6	108--02	10	0867-1	1		4346	3938	408
6	108--03	10	0927-1	2	6	2400	2140	260
6	108--04	10	0927-1	1		2400	2053	347
6	108--06	10	0727-0	31				
6	108--07	10	1619-0	31				
6	108--08	10	1839-0	31				
6	108--09	10	0569-0	31				
6	108--10	10	0867-0	31				
6	108--11	10	0927-1	1		2596	2121	475
6	108--12	10	1867-1	33				
6	109--02	10	0927-1	1				
6	109--03	10	1837-0	31		2483	2097	386
6	109--04	10	1637-0	31				
6	109--05	10	1837-0	31				
6	109--06	10	1511-0	31				
6	109--07	10	0769-1	33		2429	2083	346
6	109--08	10	1839-1	31				
6	109--09	10	1839-1	31				
6	109--10	10	1839-1	31				

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	110--04	10	1611-1	1				
6	110--05	10	0735-1	1		3050	2744	306
6	110--06	10	1867-1	33		2669	2258	411
6	110--07	10	1635-0	31				
6	110--08	10	0927-1	1				
6	110--09	10	0927-1	1		2333	2139	194
6	110--10	10	1839-0	31		2483	2097	386
6	110--11	10	1839-1	33				
6	111--03	10	0727-1	1				
6	111--04	10	1839-1	1				
6	111--05	10	0927-1	1		2335	2025	310
6	111--07	10	1611-0	31		3057	2736	321
6	111--08	10	1537-1	2	6	2604	2196	408
6	111--09	10	1845-1	1				
6	111--10	10	0927-1	1		2500	2259	241
6	111--11	10	1837-1	33		3282	3069	213
6	112--01	10	0927-1	33		2360	2165	195
6	112--02	10	0927-1	1				
6	112--03	10	1839-1	33		2311	2175	136
6	112--05	10	1119-0	31				
6	112--07	10	1635-0	31				
6	112--08	10	0527-0	31				
6	112--09	10	0727-1	1				
6	112--10	10	0727-0	31		2284	2009	275
6	113--01	10	1837-1	33				
6	113--02	10	1837-1	33				
6	113--03	10	1511-0	31				
6	113--04	10	1839-1	1		2993	2741	252
6	113--05	10	1635-0	31				
6	113--06	10	1839-0	31				
6	113--07	10	1111-1	1				
6	113--08	10	0927-1	1		2438	2210	228
6	113--09	10	1837-1	1		2520	2150	370
						3012	2652	360
								1195

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DEALER - PORTER

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	113--10	10	1219-0	31				
6	113--11	10	1635-1	1		3102	2858	244
6	114--01	10	1635-1	1		3145	2906	239
6	114--02	10	0927-1	2	6	2276	2037	239
6	114--05	6	1837-0	31				
6	114--06	10	0769-0	31				
6	114--07	10	0769-0	31				
6	114--08	10	1611-0	31				
6	114--09	10	0927-1	2	6	2440	2200	240
6	114--10	10	1837-1	1		3007	2754	253
6	114--11	10	0927-1	34	1			
6	114--12	10	0927-1	1		2366	2157	209
6	115--01	10	1837-1	1		2808	2603	205
6	115--03	10	0927-1	2	6	2400	2151	249
6	115--04	10	1837-1	1		2952	2757	195
6	115--05	10	1867-0	31				
6	115--06	10	1837-0	31				
6	115--07	10	1711-1	1		2722	2463	259
6	115--08	10	0927-1	1		2433	2096	337
6	115--09	10	1837-1	1		2763	2531	232
6	115--12	10	0867-1	1		4138	3751	387
6	116--01	11	1837-0	31				
6	116--02	11	1111-1	33				
6	116--03	11	1867-1	2	6	3187	2922	265
6	116--04	11	1635-1	1		2885	2705	180
6	116--05	11	1611-1	1		2676	2418	258
6	116--06	11	0927-1	1		2400	2154	246
6	116--07	11	1867-1	1		3111	2826	285
6	116--08	11	0527-1	2	10	2015	1828	187
6	116--09	11	1169-1	1		2391	2169	222
6	116--10	11	1837-1	2	10	2643	2409	234
6	116--11	11	1837-1	2				
6	116--12	11	1837-1	2				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	117--01	11	0927-1	2	6	2349	2081	268
6	117--02	11	0569-0	31				
6	117--03	11	1837-0	31				
6	117--04	11	1867-1	1				
6	117--05	11	1839-1	1				
6	117--06	11	1669-1	33		3108	2909	199
6	117--08	11	1867-1	1		3187	2754	433
6	117--09	11	0927-1	1				
6	117--10	11	1837-1	35		2948	2733	215
6	117--11	11	0769-1	2	6	2378	2176	202
6	118--01	11	0867-1	2	10	2292	2041	251
6	118--03	11	1837-1	2	6	4210	3942	268
6	118--06	11	0927-1	1		2833	2595	238
6	118--07	11	0927-1	1		2293	2080	213
6	118--08	11	0769-1	1		2503	2151	352
6	118--09	11	1837-1	1		2318	2118	200
6	118--10	11	0727-1	2	10	2931	2696	235
6	118--11	11	1835-1	33	6	2250	2011	239
6	119--01	11	1837-1	1				
6	119--02	11	1837-1	1		2832	2590	242
6	119--04	11	1837-1	1		2847	2690	157
6	119--05	11	1737-1	1		3098	2895	203
6	119--06	11	1837-1	1		2669	2395	274
6	119--07	11	0927-1	35				
6	119--08	11	0927-1	1		2390	2150	240
6	119--09	11	0769-1	1		2208	2021	187
6	119--10	11	1837-1	1		2191	2026	165
6	119--11	11	1837-1	1		2817	2608	209
6	120--01	11	1637-1	1		2782	2583	199
6	120--02	11	1569-1	1		3054	2709	345
6	120--03	11	1837-1	1		2419	2269	150
6	120--04	11	1645-1	2	6	2806	2581	225
6	120--05	11	0927-1	1		3040	2804	236
6		11		1		2262	2059	203

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*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	120--07	11	0727-1	1		2278	2045	233
6	120--08	11	1837-1	1		2844	2625	219
6	120--09	11	0735-1	1		2469	2160	309
6	120--10	11	1837-0	31				
6	120--12	11	0927-1	2	6	2490	2200	290
6	121--01	11	0735-1	1		2620	2297	323
6	121--02	11	0769-1	1		2187	1982	205
6	121--03	11	1837-1	1		3060	2593	467
6	121--04	11	1235-0	31				
6	121--05	11	1839-1	1		2912	2643	269
6	121--06	11	1635-1	1		3073	2890	183
6	121--07	11	1235-1	1		2909	2665	244
6	121--08	11	1645-1	1		2929	2764	165
6	121--10	11	0927-1	33				
6	121--11	11	0735-1	33				
6	122--01	11	0867-1	1		3688	3541	147
6	122--02	11	1635-1	1		2797	2629	168
6	122--03	11	1569-1	1		2213	2052	161
6	122--04	11	1839-1	1		2918	2584	334
6	122--05	11	1511-1	1		2294	2037	257
6	122--06	11	1837-1	33				
6	122--07	11	0927-1	1		2317	2106	211
6	122--08	11	1867-1	1		2965	2799	166
6	122--09	11	R1206-1	1		2721	2506	215
6	122--10	11	1645-1	1		3201	3018	183
6	122--11	11	0569-0	31				
6	123--01	11	0769-1	1		2250	2086	164
6	123--02	11	1669-1	1		2636	2476	160
6	123--03	11	0867-1	1		4025	3712	313
6	123--04	11	1839-1	2	6	2850	2616	234
6	123--05	11	1611-0	31				
6	123--06	11	0927-1	1		2372	2133	239
6	123--07	11	0927-1	1		2000	1740	140

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.**	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	123--08	11	1837-1	34	1			
6	123--09	11	1837-1	1		3223	2835	388
6	123--10	11	1635-1	1		2793	2626	167
6	123--11	11	0927-1	1		2400	2162	238
6	123--12	11	1611-0	31				
6	124--01	11	1635-1	1		3816	3073	743
6	124--02	11	0927-1	1		2353	2193	160
6	124--03	11	R1206-1	1		2845	2564	281
6	124--04	11	0927-1	1		2388	2154	234
6	124--06	11	1839-1	2	10	2866	2626	240
6	124--08	11	0927-1	2	6	2404	2162	242
6	124--09	11	1837-0	31				
6	124--10	11	1611-1	2	10	2613	2364	249
6	125--01	11	1635-1	2	6	3226	2931	295
6	125--02	11	0867-1	33				
6	125--03	11	1837-1	1		2907	2626	281
6	125--04	11	1111-1	1		2135	1974	161
6	125--05	11	1837-1	33				
6	125--06	11	0867-1	1		3990	3679	311
6	125--07	11	1837-1	1		2770	2532	238
6	125--09	11	1837-1	1		2883	2630	253
6	125--10	11	0769-1	1		2321	2101	220
6	125--11	11	0927-1	1		2435	2162	273
6	126--01	11	1837-1	31		2780	2569	211
6	126--02	11	1837-0	1				
6	126--03	11	0527-1	1		1939	1757	182
6	126--04	11	1837-1	1		2629	2372	257
6	126--05	11	1635-1	1		3002	2738	264
6	126--06	11	1669-1	2	10	2563	2326	237
6	126--07	11	1669-1	1		2781	2635	146
6	126--08	11	1619-0	31				
6	126--09	11	1845-0	31				
6	126--10	11	0867-1	1		4115	3704	411

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1200

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	126--11	11	0927-1	1		2452	2115	337
6	127--01	11	0927-1	1		2437	2171	266
6	127--02	11	1111-1	33				
6	127--03	11	1837-1	33				
6	127--04	11	0769-1	2	6	2340	2100	240
6	127--05	11	0735-1	1		2421	2224	197
6	127--07	11	1837-1	33				
6	128--01	12	0727-1	1		2071	1911	160
6	128--02	12	1837-1	33				
6	128--04	12	0735-1	1		2535	2228	307
6	128--05	12	1837-0	31				
6	128--06	12	0769-1	1		2275	2026	249
6	128--07	12	0927-1	1		2394	2156	238
6	128--08	12	1635-0	31				
6	128--09	12	1837-1	35				
6	128--10	12	0927-1	1		2463	2186	277
6	129--01	12	0927-1	1		2497	2108	389
6	129--02	12	0927-1	2	6	2390	2103	287
6	129--03	12	0927-1	1		2349	2108	241
6	129--04	12	1635-1	1		2912	2723	189
6	129--05	12	0927-1	1		2394	2162	232
6	129--06	12	0867-0	31				
6	129--07	12	0927-1	33		2231	2071	160
6	129--08	12	0727-1	1				
6	129--09	12	1839-0	31		3353	3038	315
6	129--10	12	1839-1	1				
6	129--11	12	1837-0	31				
6	129--12	12	0927-1	1		2373	2108	265
6	129--13	12	0735-1	1		2503	2226	277
6	130--01	12	1837-1	1		2767	2566	201
6	130--02	12	0927-1	1		2267	2064	203
6	130--03	12	0927-1	1		2450	2160	290
6	130--04	12	0927-1	1		2457	2166	301

130-05 12 0927-1 2160 2150 290 301

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	130--05	12	0727-1	1		2128	1848	280
6	130--06	12	0927-1	1		2229	2080	149
6	130--07	12	1837-1	1		2807	2572	235
6	130--08	12	0927-1	2	6	2404	2164	240
6	130--09	12	0927-1	2	6	2350	2088	262
6	130--10	12	0927-1	1		2393	2156	237
6	130--11	12	0927-1	2	6	2389	2150	239
6	131--01	12	1637-1	1		2663	2469	194
6	131--02	12	1235-1	1		2978	2609	369
6	131--03	12	1837-1	33				
6	131--04	12	1839-1	1		2875	2619	256
6	131--05	12	0927-1	1		2333	2130	203
6	131--06	12	0867-1	33				
6	131--07	12	0927-1	2	10	2372	2130	242
6	131--08	12	1839-1	1		3621	3271	350
6	131--09	12	1837-1	2	6	2820	2572	248
6	131--10	12	0727-1	1		2112	1975	137
6	131--11	12	1635-1	33				
6	132--01	12	0527-1	33				
6	132--03	12	0927-1	34				
6	132--04	12	1635-1	1	1	2981	2806	175
6	132--05	12	0735-1	1		2349	2144	205
6	132--06	12	0769-0	31				
6	132--08	12	0927-1	33				
6	132--09	12	1837-1	33				
6	132--10	12	1839-1	33				
6	133--01	12	1837-0	31				
6	133--02	12	0727-1	1				
6	133--03	12	1837-1	1				
6	133--04	12	1837-1	2	6	2242	1961	281
6	133--05	12	0927-1	1		2662	2444	218
6	133--06	12	1839-1	1		2548	2318	230
6	133--07	12	0927-1	1		2331	2083	248
6		12	1839-1	1		3287	3162	125
6		12	0927-1	33				

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1202

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	133--08	12	0727-1	1		2294	2056	238
6	133--09	12	0735-1	1		2562	2326	236
6	133--10	12	1837-1	1		2900	2631	269
6	133--11	12	0527-1	1		2220	1801	419
6	134--01	12	1837-0	31				
6	134--04	12	0927-1	1		2355	2154	201
6	134--05	12	1837-1	1		2841	2576	265
6	134--07	12	1235-1	33				
6	134--08	12	1637-0	31				
6	134--09	12	1837-1	34				
6	134--11	12	1835-1	2	1	3075	2835	240
6	134--12	12	1635-1	1	6	2935	2708	227
6	135--01	12	0769-1	2	10	2284	2040	244
6	135--02	12	1845-1	1		2949	2716	233
6	135--03	12	1867-1	1		2823	2600	223
6	135--04	12	0927-1	1		2327	2111	216
6	135--07	12	0735-1	33				
6	135--08	12	1839-1	1		2990	2618	372
6	135--09	12	1839-1	1		3010	2725	285
6	135--10	12	0927-1	1		2399	2154	245
6	135--11	12	1837-1	2	10	2943	2704	239
6	135--12	12	1639-1	1		2708	2555	153
6	136--01	12	1839-1	2	6	2890	2651	239
6	136--02	12	1845-1	2	6	3201	2961	240
6	136--03	12	1837-1	1		3414	3098	316
6	136--04	12	0735-1	1		2426	2313	113
6	136--05	12	1569-1	33				
6	136--06	12	0927-1	1		2409	2118	291
6	136--08	12	1841-1	1		2770	2569	201
6	136--09	12	1541-1	1		2850	2650	200
6	136--10	12	0927-1	1		2343	2111	232
6	136--11	12	1111-1	1		2318	2144	124
6	136--12	12	1111-1	1				

104
2184
2358
1111-1
12

1203

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
6	137--03	12	0927-1	1		2504	2094	410
6	137--05	12	0927-1	1		2312	2017	295
6	137--06	12	1111-0	31				
6	137--07	12	1837-1	1				
6	137--08	12	0927-1	1		2787	2609	178
6	137--09	12	1669-1	1		2427	2190	237
6	137--10	12	1835-1	1		2949	2485	464
6	137--11	12	1837-1	1		3462	3215	247
6	137--12	12	1837-1	1		2747	2504	243
6	138--01	12	1837-1	2	10	2830	2591	239
6	138--02	12	1837-1	1		2900	2663	237
6	138--03	12	1669-1	1		2512	2354	158
6	138--04	12	1867-1	1		3091	2937	154
6	138--05	12	1837-1	33				
6	138--06	12	1835-0	31				
6	138--07	12	1839-0	31				
6	138--08	12	1635-1	1		3309	3065	244
6	138--09	12	0769-1	1		2298	2083	215
6	138--10	12	1837-1	1		2840	2598	242
6	138--11	12	0927-1	33				
6	139--01	12	1839-1	33				
6	139--02	12	0735-1	1		2336	2145	191
6	139--04	12	0927-1	1		2422	2152	270
6	139--05	12	1839-1	1		2837	2600	237
6	139--06	12	0927-1	1		2489	2200	289
6	139--07	12	0867-1	33				
6	139--08	12	1839-1	1		2875	2622	253
6	139--09	12	1511-1	1		2546	2228	318
6	139--10	12	1669-1	2	10	2781	2528	253
6		12	0927-1	1		2468	2170	298

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

SUMMARY TABLE DEALER - PORTER			-----AVERAGES-----	
TYPE OF SALE	NO. OF SALES	MEDIAN MARKUP	ARITHMETIC MEAN MARKUP	
1	789	230	239	
2	138	224	212	
SUBTOTAL	927			
31	78			
32	6			
33	131			
34	5			
35	37			
SUBTOTAL	257			
OTHER				
TOTAL	1,184			

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	1--01	1	1837-0	1		3035	2685	350
7	1--02	1	1111-0	1		2141	1910	231
7	1--03	1	1619-0	2	10	2875	2536	339
7	1--05	1	0769-0	2	10	2375	2038	337
7	1--06	1	1837-0	2	10	2828	2555	273
7	1--07	1	1819-0	1		3133	2688	445
7	1--08	1	1619-0	2	10	2680	2399	281
7	1--09	1	1837-0	1		3147	2733	414
7	1--10	1	1867-0	33				
7	1--11	1	1611-0	1		2791	2440	351
7	1--12	1	1635-0	2	10	3015	2733	282
7	1--13	1	1619-0	1		2680	2421	259
7	1--14	1	0769-0	2	10	2351	1943	408
7	1--16	1	0769-0	2	10	2391	2065	326
7	1--17	1	1819-0	1		2933	2610	323
7	1--18	1	0569-0	1		2217	1971	246
7	1--19	1	1839-0	1		3209	2726	483
7	1--20	1	0769-0	2	10	2410	2053	357
7	1--22	1	0769-0	1		2436	2067	369
7	1--23	1	0769-0	2	10	2378	2039	339
7	1--24	1	0569-0	33				
7	1--26	1	1837-0	33				
7	1--27	1	1837-0	33				
7	1--28	1	1839-9	31				
7	1--29	1	1839-0	2	10	2944	2620	324
7	1--30	1	1111-0	1		2198	1912	286
7	1--31	1	1639-0	1		2950	2600	350
7	1--32	1	1839-0	2	10	2955	2652	303
7	2--01	1	1837-0	1		3146	2649	497
7	2--02	1	1837-0	1		3150	2737	413
7	2--03	1	1837-0	1		2999	2694	305
7	2--04	1	1511-0	1		2500	2232	268
7	2--05	1	1837-0	1		2955	2570	385

1205

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

1208

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	5--26	2	1837-0	1		2819	2600	219
7	5--27	2	1837-0	1		2802	2603	199
7	5--28	2	1837-0	1		3037	2747	290
7	5--29	2	1119-0	1		2481	2143	338
7	6--01	2	1819-0	1		2931	2621	310
7	6--02	2	1111-0	1		2268	2057	211
7	6--04	2	0569-0	1		2055	1760	295
7	6--05	2	0769-0	1		2314	2078	236
7	6--06	2	1111-0	1		2187	1977	210
7	6--07	2	1867-0	1		3090	2846	244
7	6--09	2	0867-0	1		3609	3334	275
7	6--11	2	1835-0	2	10	3162	2867	295
7	6--12	2	1839-0	1		2897	2505	392
7	6--13	2	0769-0	2	10	2300	2107	193
7	6--14	2	1837-0	1		2978	2687	291
7	6--16	2	1837-0	2	10	2844	2598	246
7	6--17	2	1111-0	1		2279	2024	255
7	6--18	2	1837-0	1		2960	2663	297
7	6--20	2	0727-0	1		2442	2027	415
7	6--21	2	0527-0	1		2128	1813	315
7	6--22	2	1819-0	1		2883	2603	280
7	7--01	3	0527-0	1		2038	1813	225
7	7--03	3	1111-0	33				
7	7--04	3	0527-0	1		2172	1815	357
7	7--05	3	1837-0	1		2900	2563	337
7	7--06	3	0769-0	1		2280	2037	243
7	7--07	3	1835-0	1		3070	2852	218
7	7--08	3	0727-0	2	10	2290	2051	239
7	7--09	3	0727-0	1		2235	2018	217
7	7--10	3	0527-0	1		2263	1957	306
7	7--11	3	0527-0	1		2348	2103	265
7	7--12	3	1837-0	1		2922	2717	205
7	7--13	3	1837-0	1		2922	2717	205

1210

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	8--24	3	1219-0	33				
7	8--25	3	1219-0	33				
7	8--26	3	1219-0	33				
7	8--27	3	0727-0	1				
7	8--28	3	0769-0	2				
7	8--29	3	0727-0	1				
7	8--30	3	1235-0	33				
7	8--31	3	0527-0	1				
7	8--32	3	1867-0	1				
7	9--01	3	0769-0	1				
7	9--02	3	1635-0	1				
7	9--03	3	1837-0	1				
7	9--04	3	1737-0	1				
7	9--06	3	1839-0	1				
7	9--08	3	1839-0	2	10			
7	9--09	3	1839-0	1				
7	9--10	3	0867-0	2	10			
7	9--12	3	1839-0	2	10			
7	9--13	3	0769-0	2	10			
7	9--14	3	1111-0	1				
7	9--15	3	1837-0	1				
7	9--16	3	1511-0	1				
7	9--17	3	0727-0	1				
7	9--18	3	1837-0	1				
7	9--19	3	1835-0	1				
7	9--22	3	0769-0	2	10			
7	9--23	3	1837-0	1				
7	9--24	3	1837-0	1				
7	9--25	3	1819-0	1				
7	9--26	3	0727-0	1				
7	9--27	3	1819-0	1				
7	9--28	3	1819-0	33				
7	9--29	3	1819-0	1				
7	9--30	3	1819-0	1				
7	9--31	3	1819-0	33				
7	9--32	3	1819-0	1				
7	9--33	3	1819-0	1				
7	9--34	3	1819-0	1				
7	9--35	3	1819-0	1				
7	9--36	3	1819-0	1				
7	9--37	3	1819-0	1				
7	9--38	3	1819-0	1				
7	9--39	3	1819-0	1				
7	9--40	3	1819-0	1				
7	9--41	3	1819-0	1				
7	9--42	3	1819-0	1				
7	9--43	3	1819-0	1				
7	9--44	3	1819-0	1				
7	9--45	3	1819-0	1				
7	9--46	3	1819-0	1				
7	9--47	3	1819-0	1				
7	9--48	3	1819-0	1				
7	9--49	3	1819-0	1				
7	9--50	3	1819-0	1				
7	9--51	3	1819-0	1				
7	9--52	3	1819-0	1				
7	9--53	3	1819-0	1				
7	9--54	3	1819-0	1				
7	9--55	3	1819-0	1				
7	9--56	3	1819-0	1				
7	9--57	3	1819-0	1				
7	9--58	3	1819-0	1				
7	9--59	3	1819-0	1				
7	9--60	3	1819-0	1				
7	9--61	3	1819-0	1				
7	9--62	3	1819-0	1				
7	9--63	3	1819-0	1				
7	9--64	3	1819-0	1				
7	9--65	3	1819-0	1				
7	9--66	3	1819-0	1				
7	9--67	3	1819-0	1				
7	9--68	3	1819-0	1				
7	9--69	3	1819-0	1				
7	9--70	3	1819-0	1				
7	9--71	3	1819-0	1				
7	9--72	3	1819-0	1				
7	9--73	3	1819-0	1				
7	9--74	3	1819-0	1				
7	9--75	3	1819-0	1				
7	9--76	3	1819-0	1				
7	9--77	3	1819-0	1				
7	9--78	3	1819-0	1				
7	9--79	3	1819-0	1				
7	9--80	3	1819-0	1				
7	9--81	3	1819-0	1				
7	9--82	3	1819-0	1				
7	9--83	3	1819-0	1				
7	9--84	3	1819-0	1				
7	9--85	3	1819-0	1				
7	9--86	3	1819-0	1				
7	9--87	3	1819-0	1				
7	9--88	3	1819-0	1				
7	9--89	3	1819-0	1				
7	9--90	3	1819-0	1				
7	9--91	3	1819-0	1				
7	9--92	3	1819-0	1				
7	9--93	3	1819-0	1				
7	9--94	3	1819-0	1				
7	9--95	3	1819-0	1				
7	9--96	3	1819-0	1				
7	9--97	3	1819-0	1				
7	9--98	3	1819-0	1				
7	9--99	3	1819-0	1				
7	9--100	3	1819-0	1				
7	9--101	3	1819-0	1				
7	9--102	3	1819-0	1				
7	9--103	3	1819-0	1				
7	9--104	3	1819-0	1				
7	9--105	3	1819-0	1				
7	9--106	3	1819-0	1				
7	9--107	3	1819-0	1				
7	9--108	3	1819-0	1				
7	9--109	3	1819-0	1				
7	9--110	3	1819-0	1				
7	9--111	3	1819-0	1				
7	9--112	3	1819-0	1				
7	9--113	3	1819-0	1				
7	9--114	3	1819-0	1				
7	9--115	3	1819-0	1				
7	9--116	3	1819-0	1				
7	9--117	3	1819-0	1				
7	9--118	3	1819-0	1				
7	9--119	3	1819-0	1				
7	9--120	3	1819-0	1				
7	9--121	3	1819-0	1				
7	9--122	3	1819-0	1				
7	9--123	3	1819-0	1				
7	9--124	3	1819-0	1				
7	9--125	3	1819-0	1				
7	9--126	3	1819-0	1				
7	9--127	3	1819-0	1				
7	9--128	3	1819-0	1				
7	9--129	3	1819-0	1				
7	9--130	3	1819-0	1				
7	9--131	3	1819-0	1				
7	9--132	3	1819-0	1				
7	9--133	3	1819-0	1				
7	9--134	3	1819-0	1				
7	9--135	3	1819-0	1				
7	9--136	3	1819-0	1				
7	9--137	3	1819-0	1				
7	9--138	3	1819-0	1				
7	9--139	3	1819-0	1				
7	9--140	3	1819-0	1				
7	9--141	3	1819-0	1				
7	9--142	3	1819-0	1				
7	9--143	3	1819-0	1				
7	9--144	3	1819-0	1				
7	9--145	3	1819-0	1				
7	9--146	3	1819-0	1				
7	9--147	3	1819-0	1				
7	9--148	3	1819-0	1				
7	9--149	3	1819-0	1				
7	9--150	3	1819-0	1				
7	9--151	3	1819-0	1				
7	9--152	3	1819-0	1				
7	9--153	3	1819-0	1				
7	9--154	3	1819-0	1				
7	9--155	3	1819-0	1				
7	9--156	3	1819-0	1				
7	9--157	3	1819-0	1				
7	9--158	3	1819-0	1				
7	9--159	3	1819-0	1				
7	9--160	3	1819-0	1				
7	9--161	3	1819-0	1				
7	9--162	3	1819-0	1				
7	9--163	3	1819-0	1				
7	9--164	3	1819-0	1				
7	9--165	3	1819-0	1				
7	9--166	3	1819-0	1				
7	9--167	3	1819-0	1				
7	9--168	3	1819-0	1				
7	9--169	3	1819-0	1				
7	9--170	3	1819-0	1				
7	9--171	3	1819-0	1				
7	9--172	3	1819-0	1				
7	9--173	3	1819-0	1				
7	9--174	3	1819-0	1				
7	9--175	3	1819-0	1				
7	9--176	3	1819-0	1				
7	9--177	3	1819-0	1				
7	9--178	3	1819-0	1				
7	9--179	3	1819-0	1				
7	9--180	3	1819-0	1				
7	9--181	3	1819-0	1				
7	9--182	3	1819-0	1				
7	9--183	3	1819-0	1				
7	9--184	3	1819-0	1				
7	9--185	3	1819-0	1				
7	9--186	3	1819-0	1				
7	9--187	3	1819-0	1				
7	9--188	3	1819-0	1				
7	9--189	3	1819-0	1				
7	9--190	3	1819-0	1				
7	9--191	3	1819-0	1				
7	9--192	3	1819-0	1				
7	9--193	3	1819-0	1				
7	9--194	3	1819-0	1				
7	9--195	3	1819-0	1				
7	9--196	3	1819-0	1				

1211

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	10--01	3	1619-0	1		3120	2828	292
7	10--03	3	1115-0	1		2400	2144	256
7	11--01	4	1867-0	1		2923	2792	131
7	11--02	4	1837-0	1		2884	2647	237
7	11--04	4	1839-0	1		2911	2690	221
7	11--05	4	1837-0	1		3000	2701	299
7	11--06	4	1835-0	1		3106	2874	232
7	11--07	4	1519-0	1		2558	2313	245
7	11--08	4	0769-0	33				
7	11--09	4	0769-0	33				
7	11--10	4	1511-0	1		2390	2176	214
7	11--11	4	0769-0	2	10	2273	2101	172
7	11--12	4	1639-0	2	10	2762	2557	205
7	11--13	4	1611-0	1		2635	2408	227
7	11--14	4	1511-0	1		2251	2005	246
7	11--15	4	0769-0	33				
7	11--16	4	1837-0	1		2987	2729	258
7	11--17	4	1619-0	1		2592	2384	208
7	11--18	4	1835-0	2	10	2685	2515	170
7	11--19	4	1839-0	1		2979	2783	196
7	11--20	4	1121-0	33				
7	11--21	4	1635-0	1		2981	2735	246
7	11--22	4	1639-0	33				
7	11--23	4	1839-0	1		2910	2628	282
7	11--25	4	1835-0	1		3215	2967	248
7	11--27	4	1839-0	1		2911	2737	174
7	11--28	4	1635-0	2	10	2812	2639	173
7	11--29	4	0569-0	1		2211	2001	210
7	11--30	4	1635-0	1		2985	2779	206
7	11--31	4	0727-0	2	10	2241	2063	178
7	11--32	4	0769-0	1		2300	2078	222
7	12--01	4	1837-0	2	10	2840	2645	195
7	12--02	4	0527-0	2	10	1917	1763	154

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

1212

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	12--03	4	1839-0	1		2817	2628	189
7	12--04	4	1235-0	33				
7	12--05	4	0769-0	1		2280	2102	178
7	12--06	4	0769-0	2	10	2216	2058	158
7	12--07	4	0727-0	1		2293	2026	267
7	12--09	4	1839-0	1		2856	2641	215
7	12--10	4	1837-0	2	10	2868	2685	183
7	12--11	4	1837-0	1		2821	2610	211
7	12--13	4	0769-0	2	10	2182	2028	154
7	12--14	4	0867-0	1		3784	3576	208
7	12--15	4	1837-0	2		2805	2641	164
7	12--16	4	1645-0	1	10	3175	2947	228
7	12--18	4	1839-0	1		2841	2631	210
7	12--19	4	1837-0	1		2806	2609	197
7	12--20	4	1119-0	33				
7	12--21	4	1545-0	2	10	2502	2342	160
7	12--22	4	0727-0	1		2193	1951	242
7	12--23	4	1839-0	1		2989	2751	238
7	12--24	4	1635-0	1		2900	2680	220
7	12--26	4	1837-0	1		2958	2627	331
7	12--27	4	0769-0	1		2237	2086	151
7	12--28	4	1619-0	33				
7	12--29	4	0727-0	1		2158	1908	250
7	12--30	4	1839-0	2	10	2808	2641	167
7	12--31	4	0727-0	2	10	2163	2006	157
7	13--01	4	1121-0	33				
7	13--02	4	1121-0	33				
7	13--03	5	1837-0	1	6	2836	2600	236
7	13--04	5	1837-0	2		2689	2515	174
7	13--05	5	1619-0	1		2512	2340	172
7	13--08	5	0867-0	1		3842	3613	229
7	13--10	5	1635-0	1		2872	2674	174
7	13--11	5	1635-0	2	10	2872	2674	108

DEALER - WEST ADAMS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	14--27	5	1837-0	1		2835	2624	211
7	14--28	5	0769-0	2	10	2207	2048	159
7	14--29	5	0769-0	33				
7	14--30	5	1837-0	1		2804	2600	204
7	15--01	5	1837-0	1		2653	2437	216
7	15--06	5	1867-0	1		3120	2910	210
7	15--07	5	1121-0	33				
7	15--08	5	0769-0	1		2280	2044	236
7	15--09	5	0727-0	1		2181	1968	213
7	16--01	6	1511-0	33				
7	16--02	6	1611-0	33				
7	16--04	6	1837-0	2	10	2738	2596	142
7	16--05	6	1837-0	1		2752	2543	209
7	16--07	6	0867-0	1		3724	3523	201
7	16--08	6	0927-0	1		2589	2185	404
7	16--09	6	1837-0	1		2954	2735	219
7	16--11	6	1837-0	2	10	2970	2763	207
7	16--12	6	1837-0	2	10	2745	2566	179
7	16--14	6	1837-0	1		2996	2764	232
7	16--16	6	1837-0	1		2787	2475	312
7	16--17	6	0569-0	1		2261	1983	278
7	16--19	6	0727-0	1		2216	1999	217
7	16--20	6	1839-0	1		2879	2605	274
7	16--21	6	1819-0	1		2809	2594	215
7	16--22	6	0727-0	1		2100	1922	178
7	16--23	6	1119-0	1		2130	1968	162
7	16--25	6	1111-0	1		2317	2123	194
7	16--26	6	0727-0	1		2202	2008	194
7	16--27	6	0727-0	1		2210	2010	200
7	16--28	6	1837-0	1		2925	2735	190
7	16--30	6	1511-0	1		2544	2337	210
7	16--31	6	1511-0	1		2544	2337	210

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	17--02	6	1839-0	1		2873	2661	212
7	17--03	6	1635-0	1		3185	2893	292
7	17--04	6	1837-0	2	10	2649	2477	172
7	17--06	6	0527-0	1		2038	1837	201
7	17--07	6	0727-0	2	10	2192	2028	164
7	17--08	6	1837-0	2	10	2666	2504	162
7	17--09	6	1837-0	1		2936	2666	270
7	17--10	6	0769-0	1		2253	2067	186
7	17--11	6	1211-0	2	10	2537	2368	169
7	17--13	6	1121-0	33				
7	17--14	6	0727-0	1		2144	1937	207
7	17--15	6	1619-0	1		2610	2367	243
7	17--16	6	0727-0	2	10	2193	2026	167
7	17--17	6	1837-0	1		2825	2601	224
7	17--19	6	0769-0	2	10	2191	2050	141
7	17--20	6	1111-0	1		2098	1923	175
7	17--21	6	1839-0	1		2992	2691	301
7	17--22	6	1635-0	1		2980	2748	232
7	17--24	6	0769-0	2	6	1975	1824	151
7	17--25	6	1839-0	2	10	2829	2661	168
7	17--26	6	0867-0	2	10	3902	3701	201
7	17--27	6	0727-0	1		2070	1913	157
7	17--29	6	1635-0	1		2923	2755	168
7	17--31	6	1867-0	1		3364	2950	414
7	17--32	6	1837-0	1		2837	2695	142
7	18--02	6	1611-0	1		2474	2284	190
7	18--03	6	1839-0	1		2930	2705	225
7	18--04	6	0727-0	1		2051	1889	162
7	18--05	6	1837-0	2	10	2836	2662	174
7	18--07	6	1837-0	1		3089	2860	229
7	18--08	6	1839-0	1		3076	2631	445
7	18--09	6	1837-0	1		2681	2499	182
7	18--11	6	1837-0	1		2739	2575	164

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	19--01	7	1211-0	1		2188	2039	149
7	19--02	7	0727-0	1		2112	1957	155
7	19--03	7	1619-0	1		2600	2443	157
7	19--04	7	1737-0	1		2703	2548	155
7	19--05	7	1645-0	1		3434	3056	378
7	19--06	7	0769-0	2	10	2215	2063	152
7	19--07	7	1511-0	1		2355	2042	313
7	19--08	7	1837-0	1		2685	2531	154
7	19--09	7	1111-0	33				
7	19--10	7	0727-0	1		2144	1931	213
7	19--11	7	0769-0	1		2325	2086	239
7	19--12	7	1111-0	33				
7	19--13	7	1535-0	2	10	2666	2514	152
7	19--14	7	1837-0	1		2848	2667	181
7	19--15	7	1835-0	1		3187	3003	184
7	19--16	7	1211-0	1		2367	2205	162
7	19--17	7	0769-0	2	10	2095	1946	149
7	19--18	7	1635-0	1		2970	2771	199
7	19--20	7	1867-0	1		3242	3029	213
7	19--21	7	1219-0	1		2176	2035	141
7	19--22	7	1837-0	1		2634	2499	135
7	19--23	7	0769-0	2	10	2147	2011	136
7	19--24	7	1645-0	1		2949	2818	131
7	19--25	7	1837-0	1		2748	2591	157
7	19--26	7	1837-0	1		2778	2627	151
7	19--27	7	1837-0	1		2874	2697	177
7	19--28	7	1235-0	1		2808	2581	227
7	19--29	7	1619-0	1		2584	2368	216
7	19--31	7	1867-0	2	10	2835	2666	169
7	19--32	7	0769-0	1		2174	2028	146
7	20--01	7	1837-0	2	10	2799	2654	141
7	20--02	7	1837-0	2		2822	2682	142

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE	OUTLET NO.	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	20-00-04	7	1839-C	1		2836	2658	178
7	20-00-05	7	0727-0	1		2210	2057	153
7	20-00-06	7	0927-0	1		2465	2175	290
7	20-00-07	7	0727-0	1		2272	2053	219
7	20-00-08	7	1837-0	1		2689	2475	214
7	20-00-09	7	0927-0	1		2353	2157	196
7	20-00-10	7	0569-0	1		2071	1945	126
7	20-00-11	7	1611-0	33				
7	20-00-12	7	0769-0	1		2218	2063	155
7	20-00-13	7	1837-0	1		2705	2495	208
7	20-00-14	7	0927-0	1		2649	2203	446
7	20-00-15	7	1539-0	1		2950	2696	254
7	20-00-16	7	0769-0	1		2189	2035	154
7	20-00-17	7	0769-0	1		2226	2028	198
7	20-00-18	7	0569-0	1		1971	1971	152
7	20-00-19	7	0927-0	1		2450	2157	293
7	20-00-20	7	0927-0	1		2496	2171	325
7	21-00-01	8	1635-0	1		2920	2758	172
7	21-00-02	8	0727-0	1		2175	1993	182
7	21-00-03	8	0927-0	1		2495	2115	370
7	21-00-04	8	1839-0	1		2748	2607	141
7	21-00-05	8	1837-0	1		2753	2598	155
7	21-00-06	8	1111-0	1		2058	1956	102
7	21-00-07	8	0727-0	1		2052	1914	138
7	21-00-08	8	1819-0	1		2771	2606	165
7	21-00-09	8	1111-0	1		2236	2124	112
7	21-00-10	8	0569-0	1		2200	1976	224
7	21-00-11	8	1135-0	1		2406	2214	192
7	21-00-12	8	1635-0	2	10	2685	2532	153
7	21-00-13	8	0867-0	2	10	3484	3342	142
7	21-00-14	8	0527-0	1		2083	1927	156
7	21-00-15	8	1235-0	1		2604	2439	165
7	21-00-16	8	0769-0	1		2251	2093	158

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	21--23	8	0769-0	1		2208	2052	156
7	21--24	8	0769-0	1		2237	2070	167
7	21--26	8	1111-0	1		2300	2091	209
7	21--27	8	0727-0	1		2078	1928	150
7	21--28	8	1111-0	1		2130	1974	156
7	21--30	8	0727-0	1		2070	1917	153
7	21--31	8	1839-0	1		2876	2693	183
7	22--01	8	1511-0	1		2510	2286	224
7	22--02	8	0769-0	1		2185	2034	151
7	22--03	8	0769-0	2	10	2302	2135	167
7	22--04	8	1115-0	2	10	2363	2197	166
7	22--05	8	0727-0	1		2135	1987	148
7	22--06	8	1635-0	2		2945	2790	155
7	22--07	8	1837-0	1	10	2871	2681	190
7	22--10	8	0927-0	1		2524	2158	366
7	22--11	8	0769-0	1		2192	2039	153
7	22--12	8	0769-0	1		2259	2087	172
7	22--13	8	0769-0	1		2192	2042	150
7	22--14	8	0727-0	1		2189	1989	200
7	22--15	8	1635-0	1		2881	2720	161
7	22--17	8	1837-0	1		2688	2541	147
7	22--18	8	1837-0	1		2803	2570	233
7	22--19	8	1837-0	1		2711	2550	161
7	22--21	8	1837-0	1		2900	2729	171
7	22--22	8	0769-0	1		2200	2037	163
7	22--23	8	1835-0	1		3013	2859	154
7	22--25	8	1111-0	1		2350	2191	159
7	22--26	8	1837-0	1		2647	2519	128
7	22--27	8	1837-0	1		2921	2743	178
7	22--28	8	1737-0	1		2556	2410	146
7	22--29	8	1837-0	1		2668	2487	181
7	22--30	8	1837-0	1		2770	2600	169

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	23--06	8	1635-0	2	10	2871	2716	155
7	24--01	9	1837-0	1		2773	2620	153
7	24--03	9	0727-0	1		2085	1908	177
7	24--06	9	0769-0	1		2319	2062	257
7	24--07	9	0727-0	1		2134	1969	165
7	24--08	9	1511-0	1		2374	2213	161
7	24--09	9	0727-0	1		2055	1930	125
7	24--10	9	1119-0	1		2358	2161	197
7	24--11	9	1111-0	1		2191	2036	155
7	24--13	9	1867-0	1		3098	2941	157
7	24--14	9	0769-0	2	10	2226	2092	134
7	24--16	9	1839-0	1		2885	2730	155
7	24--19	9	0769-0	2	10	2179	2050	129
7	24--20	9	1837-0	2	10	2662	2523	139
7	24--21	9	1835-0	1		3074	2883	191
7	24--22	9	1837-0	1		2765	2648	117
7	24--23	9	1645-0	1		3000	2844	156
7	24--25	9	1535-0	1		2616	2486	130
7	24--28	9	0569-0	2	10	1933	1815	118
7	24--29	9	0769-0	2	10	2264	2110	154
7	24--30	9	1235-0	2	10	2769	2641	128
7	24--31	9	1837-0	1		2775	2590	185
7	25--01	9	1837-0	1		2742	2555	187
7	25--02	9	0769-0	1		2193	2092	101
7	25--04	9	0769-0	1		2214	2046	168
7	25--05	9	1619-0	1		2515	2440	75
7	25--06	9	1635-0	1		2800	2618	182
7	25--07	9	1119-0	1		2135	2016	119
7	25--09	9	1837-0	1		2584	2438	146
7	25--12	9	1839-0	1		2902	2719	183
7	25--20	9	0769-0	1		2175	2078	97
7	25--22	9	1867-0	2	10	2916	2762	154
7	25--23	9	1645-0	1		3029	2924	105

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DEALER - WEST ADAMS

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	25--24	9	1635-0	2	10	2696	2573	123
7	25--28	9	0769-0	1		2224	2078	146
7	25--29	9	1511-0	1		2150	2049	101
7	25--30	9	0769-0	1		2061	1939	122
7	25--32	9	1819-0	1		2578	2466	112
7	26--01	9	1111-0	1		2191	2057	134
7	26--02	9	0769-0	2		2167	2040	127
7	27--02	10	1839-0	1	10	2740	2591	149
7	27--03	10	1837-0	1		2765	2600	165
7	27--04	10	1819-0	1		2609	2481	128
7	27--05	10	1839-0	1		2825	2669	156
7	27--06	10	1837-0	1		2774	2674	100
7	27--07	10	1837-0	31				
7	27--08	10	1837-0	31				
7	27--10	10	1837-0	31				
7	27--11	10	0927-1	1		2561	2188	373
7	27--12	10	0927-1	1		2631	2290	341
7	27--14	10	1135-0	31				
7	27--15	10	0769-0	31				
7	27--16	10	1839-0	31				
7	27--17	10	1839-1	1		3455	2826	629
7	27--18	10	0927-1	1		2700	2201	499
7	27--19	10	1837-0	31				
7	27--20	10	1839-0	31				
7	27--22	10	1839-1	1				
7	27--24	10	0769-1	1				
7	27--26	10	1119-0	31		3441	2775	666
7	27--28	10	0769-0	31		2317	2037	280
7	27--29	10	0927-0	31				
7	27--50	10	0927-1	1				
7	27--51	10	0769-0	31		2504	2164	340
7	27--53	10	0927-1	1				

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	29--23	11	1837-1	2	10	2762	2518	244
7	29--25	11	1669-1	33				
7	29--26	11	1169-1	1		2310	1965	345
7	29--27	11	1837-0	31				
7	29--28	11	1737-1	1		2502	2354	148
7	29--29	11	0927-1	1		2520	2161	359
7	29--30	11	1111-1	35				
7	29--31	11	0867-1	1		3965	3557	408
7	29--32	11	0569-0	31				
7	30--02	11	1219-0	31				
7	30--03	11	1845-1	1				
7	30--05	11	1839-1	2	10	3429	3086	343
7	30--06	11	0927-1	1		2870	2589	281
7	30--07	11	0927-1	1	10	2607	2210	397
7	30--07	11	0927-1	2	10	2395	2146	249
7	30--09	11	0927-1	2	10	2359	2126	233
7	30--10	11	1837-0	31				
7	30--11	11	1837-1	1		2855	2685	170
7	30--12	11	0927-1	2	10	2404	2167	237
7	30--13	11	1837-1	1		2817	2628	189
7	30--15	11	1111-1	33				
7	30--16	11	1635-1	2	10	3111	2843	268
7	30--17	11	1835-1	1		3065	2843	222
7	30--18	11	0769-0	31				
7	30--19	11	1215-0	31				
7	30--20	11	0769-1	33				
7	30--21	11	1837-1	2	10	2876	2632	244
7	30--23	11	1169-1	2	10	2432	2172	260
7	30--24	11	1635-0	31				
7	30--25	11	1635-1	1		2850	2614	236
7	30--26	11	1737-1	1		2543	2207	336
7	30--27	11	0535-1	33				
7	30--28	11	1235-1	1		2788	2540	248
7	30--29	11	0927-1	1		2535	2222	311

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7 30--28 11 1235-1 0255-1 2222 311

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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	30--30	11	1867-1	2	10	3168	2929	239
7	30--31	11	1121-0	31				
7	30--32	11	0927-1	2	10	2473	2198	275
7	31--01	11	0927-1	1		2404	2111	293
7	31--02	11	0927-1	1		2493	2153	340
7	31--03	11	0769-1	2	10	2308	2064	244
7	31--05	11	0927-1	2	10	2375	2138	237
7	31--06	11	1169-1	1		2485	2201	284
7	31--07	11	1839-1	2	10	3245	2994	251
7	31--08	11	1837-1	2	10	2838	2592	246
7	31--09	11	1837-1	2	10	3104	2808	296
7	32--01	12	0927-1	2	10	2353	2109	244
7	32--02	12	1837-1	1		3176	2935	241
7	32--03	12	0927-1	2	10	2410	2167	243
7	32--04	12	0927-1	2	10	2438	2202	236
7	32--05	12	0927-1	2	10	2269	2031	238
7	32--06	12	1837-1	2	10	3028	2732	296
7	32--07	12	1837-0	31				
7	32--08	12	1837-1	1		3263	2776	487
7	32--09	12	1619-0	31				
7	32--10	12	1169-1	2	10	2437	2197	240
7	32--11	12	0927-1	2	10	2454	2192	262
7	32--12	12	1235-1	1		2856	2687	169
7	32--13	12	1139-1	1		2443	2223	220
7	32--16	12	0735-1	1		2488	2335	153
7	32--17	12	1569-1	1		2506	2275	231
7	32--20	12	1635-1	1		3065	2780	285
7	32--22	12	1839-1	1		2943	2652	291
7	32--23	12	1839-1	2	10	2847	2602	245
7	32--24	12	1837-1	1		3303	2996	307
7	32--27	12	0927-1	1		2500	2167	333
7	32--28	12	1837-1	1		2853	2595	258
7	32--29	12	1837-1	1		2784	2552	232

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DEALER - WEST ADAMS

DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	32--30	12	1111-1	1		2239	1982	257
7	32--32	12	1837-0	31		2770	2521	249
7	33--01	12	1837-1	1		3098	2901	197
7	33--02	12	1837-1	1	10	2908	2688	220
7	33--03	12	1635-1	2		2252	1986	266
7	33--04	12	0727-1	1		2479	2173	306
7	33--06	12	0927-1	1		2478	2191	287
7	33--07	12	0927-1	1		2392	2163	229
7	33--08	12	0927-1	1		2179	1966	213
7	33--09	12	1111-1	1		2397	2181	216
7	33--10	12	0927-1	2	10	2973	2736	237
7	33--11	12	1837-1	1		3515	3122	393
7	33--13	12	1839-1	1	10	2444	2213	231
7	33--14	12	0927-1	2		2147	2003	144
7	33--15	12	0769-1	1	10	2332	2095	237
7	33--17	12	0735-1	2		2181	1968	213
7	33--19	12	0569-1	1		2166	1922	244
7	33--20	12	0527-1	1	10	2908	2667	241
7	33--21	12	1635-1	2		3294	3028	266
7	33--22	12	1835-1	1		2450	2046	404
7	33--23	12	1837-0	31		2858	2614	244
7	33--24	12	0769-1	1		2973	2718	255
7	33--25	12	1837-1	1		2885	2667	218
7	33--26	12	1839-1	1		2248	2004	244
7	33--27	12	1635-1	1	10	2473	2168	305
7	33--28	12	1169-1	2		2177	1957	220
7	33--29	12	0927-1	2	10	2100	1873	227
7	33--30	12	0569-1	1		2263	2039	224
7	33--31	12	0769-1	1		2470	2196	274
7	33--32	12	0727-1	1		2544	2346	198
7	34--01	12	0927-1	1				
7	34--02	12	1569-1	1				

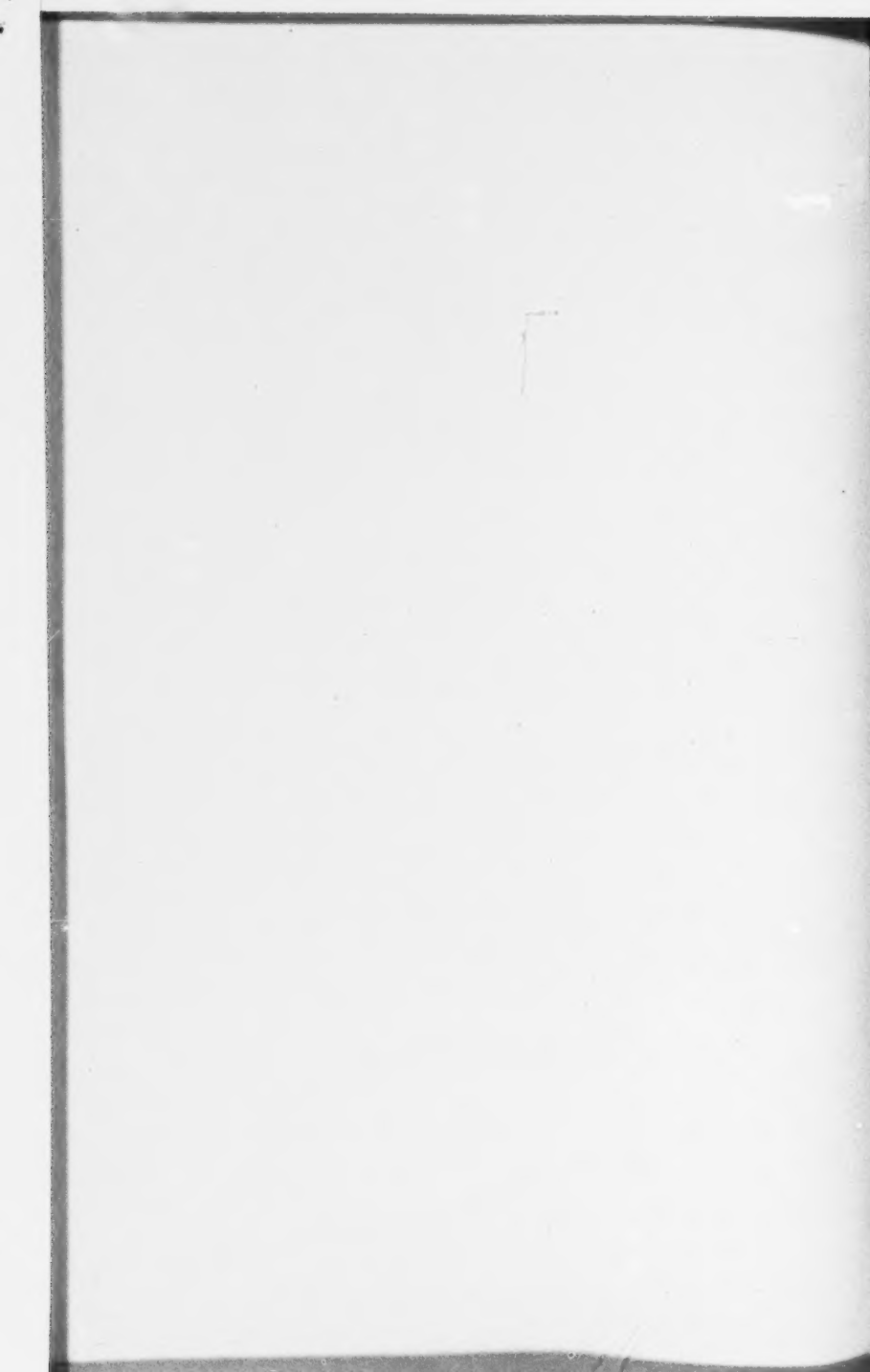
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DEALER NO.	PG. - LINE NO.	MONTH SOLD	MODEL NO. AND YEAR	TYPE OF SALE*	OUTLET NO.*	NET SELLING PRICE TO CUSTOMER	DEALER INVOICE	MARKUP
7	34--04	12	0927-1	2	10	2464	2198	266
7	34--05	12	1611-1	33				
7	34--06	12	1837-1	1		2866	2668	198
7	34--07	12	1837-1	1		2861	2642	219
7	34--08	12	1835-1	1		3549	3237	312
7	34--09	12	1635-1	2	10	2915	2709	206
7	34--10	12	1837-1	2	10	2837	2614	223
7	34--11	12	1121-1	33				
7	34--12	12	0735-1	1		2469	2263	206

*SEE ATTACHED SHEET FOR CODING DESIGNATIONS.

[fol. 1808]	SUMMARY TABLE	DEALER - WEST ADAMS	-----AVERAGES-----	
			MEDIAN MARKUP	ARITHMETIC MEAN MARKUP
	TYPE OF SALE	NO. OF SALES		
	1	438	224	241
	2	145	223	222
	SUBTOTAL	583		
	31	31		
	32			
	33	55		
	34			
	35	66		
	SUBTOTAL			
	OTHER			
	TOTAL	669		

TYPE OF SALE	NO. OF SALES	NET OF SALE	MARKUP	ANTHROPOMETRIC MEAN
1	5,970	220	240	
2	1,336	235	234	
SUBTOTAL	7,306			
31	501			
32	52			
33	2,812			
34	190			
35	268			
SUBTOTAL	3,823			
OTHER				
TOTAL	11,129			



TRANSFERS

SUPREMACY CASE

UNITED STATES

GENERAL BOARD

APPEAL FROM THE UNITED STATES
SOUTHERN DISTRICT

THE UNITED STATES
PROBABLE JURISDICTION

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965

No. 46

UNITED STATES, APPELLANT,

VS.

GENERAL MOTORS CORPORATION ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF CALIFORNIA

Volume III

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AV—Inter-Organization letter to All Car Divisions from J. M. Roche, dated December 28, 1960, with attached letters "To All (Cadillac, Buick, Chevrolet, Oldsmobile and Pontiac) Dealers", dated December 30, 1960.....	1887	1303
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AX—Letter to John S. Gordon from James Fahy and Virgil Dunn, dated February 15, 1961....	1906	1325
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Defendants' Exhibits—Continued

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BJ—P-W Exhibit—Graph: 1960 Combined Semi-fixed Expenses of the New and Used Car Departments (Based on 1960 Financial Statements etc.)	1926	1341
BK—P-W Exhibit—Graph: 1960 Combined Semi-fixed Expenses of the Service and Parts Departments (Based on 1960 Financial Statements etc.)	1927	1342
BL—P-W Exhibit—Graph: 1960 Fixed Expenses of the Dealership (Based on 1960 Financial Statements etc.)	1928	1343
BM—P-W Exhibit—Effect of a Loss in Sales Volume upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 300 New Car Volume Class	1929	1345

Record from the United States District Court for the
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Defendants' Exhibits—Continued

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BR—P-W Exhibit—Graph: 1960 New Retail Passenger Car Sales Receipts (Based on 1960 Financial Statements of the 73 Los Angeles Metropolitan Area Chevrolet Dealers)	1934	1351
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BU—Chevrolet Dealers in Los Angeles Metropolitan Area Within 5 Miles of Each of the Discount Houses and Referral Services Shown on Defendants' Exhibit A	1937	1354
BW—Distribution of Franchised Chevrolet Dealers by New Passenger Car and Truck, Volume Groups 1960, Chevrolet Los Angeles Metropolitan Area	1938	1354
BX—Distribution of Franchised Chevrolet Dealers by New Passenger Car and Truck Volume Groups, 1960, Chevrolet Los Angeles Zone	1939	1355
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Record from the United States District Court for the
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Order noting probable jurisdiction	1990	1403

[fol. 1810] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 287

1960 Chevrolet Dealer Volume

Dealer	Number of New Vehicle Sales
College	241
Security	243
Barton's	273
Vista	328
Metropolitan	388
Seaboard	418
Davies	443
Miller	473
Williams	479
Steves	495
Hoffman	508
S & J	538
Angelus	552
Southwest	566
Potter	573
M. K. Smith	573
Cone Bros. (Anaheim)	593
Bellwood	595
Colliau	595
Clay	623
Erskine	639
Ostrom	656
Brokaw	656
Cone (Fullerton)	666
Keown	671
Economy	676
Priester	688
Hessell	701
Dorweiler	702
Kent	704
Boulevard	707
Hastings	754
Mission	809
Selman	817
Hoehn	860
Bliss & Paden	862
West Adams	886
Barnett	915
Drewer-Jones	916
Martin Pollard	920
Gledhill	948
Paul's	977
Rancho	994
Century	1,027
Sopp & Son	1,046

[fol. 1811] 1960 Chevrolet Dealer Volume

Dealer	Number of New Vehicle Sales
Milliken.....	1,064
Hall.....	1,088
Schonlaw.....	1,094
Stanley.....	1,111
Ruh.....	1,119
Paramount.....	1,119
Rush.....	1,128
Carrell.....	1,147
Gwynn.....	1,167
Mann.....	1,184
Harbor.....	1,263
Community.....	1,293
Sorenson.....	1,304
Bruder.....	1,362
Porter.....	1,363
Pollard-Ravenscroft.....	1,366
Kenneth.....	1,406
Guaranty.....	1,440
Briggs.....	1,501
Beach City.....	1,587
Clippinger.....	1,701
Baldwin.....	1,749
Hopper.....	1,760
Fletcher Jones.....	1,984
Parkwood.....	2,063
Nugent.....	2,146
Cormier.....	2,194
Enoch.....	2,212
Citizens.....	2,901
Courtesy.....	4,203
Felix.....	4,789

[fol. 1812] IN THE UNITED STATES DISTRICT COURT

PLAINTIFF'S EXHIBIT No. 290

Received March 22, 1961

COLLEGE CHEVROLET, INC.
191 South Alexander Ave.—National 4-4541
Claremont, California

March 21, 1961.

Phil Johnston

President

OK was on order at time of conference.

Mr. Robert O'Conner
Chevrolet Motor Division
3325 Wilshire Boulevard
Los Angeles 5, California

Dear Bob,

You and Mr. Jere Faust had asked me to be on the lookout for any new Chevrolet delivered through a discount house. A local registration covers a 727 delivered through Fedco, Federal Purchasing Corporation, and it was purchased from Broder Chevrolet. The serial number is 107270119546, and the owner is Paul D. Muchnic, Pomona College, Claremont. Trusting that this information will be of assistance, I remain your friend.

Yours truly, Phil Johnston.

PJ:EME

Ordered 12/31/60
Delivered 2/8/61
Order #43100 1-5-61
RS#249684

[fol. 1813] Clerk's Note Re Defendants' Exhibits A & B

A—Map of Chevrolet—Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer and discount house locations (Stipulation of Facts Number Three)

B—Map of Chevrolet—Los Angeles Metropolitan Area (expanded) showing Chevrolet dealer, Ford (Ford, Mercury, Comet) dealer, Chrysler (Plymouth, Dodge) dealer, Rambler dealer, Studebaker dealer, and Volkswagen dealer locations (Stipulation of Facts Number Three)

Copies of colored photographs of the above maps do not physically appear in the printed record, but are on file with the Clerk.

[fol. 1814] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C

Chevrolet Dealers Shown On Exhibits A and B
(Indicated by blue dots)

Identifying Number	Name and Address of Chevrolet Dealer
1.	Angelus Chevrolet Co. 5001 N. Figueroa St. Los Angeles
2.	Arrow Chevrolet, Inc. 1225 E. 7th St. Los Angeles (Central Chevrolet until 4/1/61)
3.	H. E. Baher, Inc. DBA H. E. Baher Chevrolet 2901 Pacific Coast Hwy. Hermosa Beach (Brokaw Chev. until 10/2/61)
4.	J. V. Baldwin Motor 1417 S. Figueroa St. Los Angeles
5.	Bill Barnett Chev. 1440 E. Compton Bl. Compton
6.	Bartons Chevrolet 4916 S. Main St. Yorba Linda
7.	Beach City Chev. Co. 3001 Pacific Coast Hwy. Long Beach
8.	Bellwood Chevrolet 6400 Atlantic Bl. Bell
9.	Warren Biggs Chevrolet 205 S. Vermont Ave. Los Angeles
10.	Bliss & Paden, Inc. 1290 Westwood Bl. Los Angeles
11.	Boulevard Chevrolet Co. 545 S. Atlantic Bl. Los Angeles
[fol. 1815]	
12.	Bruder Chevrolet 5950 Hollywood Bl. Hollywood
13.	Pollard-Carrell Co., DBA Tom Carrell Chev. 753 San Fernando Rd. San Fernando
14.	Century Chevrolet Co. 636 S. LaBrea Ave. Inglewood

Identifying Number	Name and Address of Chevrolet Dealer
-----------------------	--------------------------------------

- | | |
|-------------|--|
| 15. | Citizens Chev. Co.
2030 Colorado Bl.
Eagle Rock |
| 16. | Frank D. Clay & Son, Inc.
2605 E. Colorado St.
E. Pasadena |
| 17. | Clippinger Chev.
137 W. San Bernardino
Covina |
| 18. | College Chevrolet
191 S. Alexander
Claremont |
| 19. | Colliau Chev. Co.
711 Fair Oaks Ave.
South Pasadena |
| 20. | Community Chevrolet
80 E. Olive St.
Burbank |
| 21. | Cone Bros.
215 N. Los Angeles St.
Anaheim |
| 22. | Cone Chevrolet Co.
320 S. Spadra St.
Fullerton |
| 23. | Cormier Chevrolet
601 Long Beach Bl.
Long Beach |
| 24. | Courtesy Chevrolet
866 S. Western Ave.
Los Angeles |
| [fol. 1816] | |
| 25. | Davies Chev.
214 W. Foothill Bl.
Glendora |
| 26. | R. V. Dorweiler Co.
3436 N. Tyler
El Monte |
| 27. | Economy Chevrolet
1247 W. Main St.
Alhambra |
| 28. | Enoch Chevrolet Co.
8730 Long Beach Bl.
South Gate |
| 29. | Bob Erskine Chev.
363 E. Holt
Pomona |
| 30. | Felix Chevrolet Co.
3330 S. Figueroa St.
Los Angeles |
| 31. | George Chevrolet
17150 S. Lakewood Bl.
Bellflower |
| 32. | Fred Gledhill Chev.
304 E. Anaheim
Wilmington |
| 33. | McDonald & O'Boyle Inc., DBA
Hal Greene Chevrolet
201 W. Huntington Dr.
Monrovia
(McDonald & O'Boyle until 5/1/61) |

Identifying Number	Name and Address of Chevrolet Dealer
-----------------------	--------------------------------------

- | | |
|-----|--|
| 34. | Ted Grimm Chev.
356 E. Foothill Bl.
Upland
(Alan A. Couch until 6/10/60) |
| 35. | Groth Chevrolet Co.
302 Ocean Ave.
Huntington Beach
(Williams Chev. Inc. until 7/18/61) |
| 36. | Guaranty Chev.
120 W. 1st St.
Santa Ana |

[fol. 1817]

- | | |
|-----|--|
| 37. | Allen Gwynn Chev.
1400 S. Brand Bl.
Glendale |
| 38. | Robert Hall Chev., Inc.
6467 Foothill Bl.
Tujunga |
| 39. | Hansen Chevrolet
11351 W. Olympic Bl.
Los Angeles |
| 40. | Harbor Chevrolet
3770 Cherry Ave.
Long Beach |
| 41. | Hastings Chev. Co.
209 Colorado Ave.
Santa Monica |
| 42. | Hessell Chev.
901 Sepulveda
El Segundo |
| 43. | Hoehn Chevrolet Co.
9018 Wilshire Bl.
Beverly Hills |
| 44. | Leo Hoffman Chev.
15432 E. Nelson Ave.
La Puente |
| 45. | Eddie Hopper Chev.
10511 Garden Grove Bl.
Garden Grove |
| 46. | Hovey-Dallas Chev.
15600 S. Western
Gardena
(Rush Chev. until 8/21/61) |
| 47. | Fletcher Jones Chev.
5001 S. Broadway
Los Angeles |
| 48. | Drewer Jones Chev. DBA
Glenn Jones Chev.
14925 S. Paramount Bl.
Paramount |
| 49. | Tom Keating Chev., Inc.
6125 Manchester Bl.
Buena Park |

[fol. 1818]

- | | |
|-----|--|
| 50. | Deeb Motors, Inc. DBA
Kendall Chev. Co.
315 N. Pacific Coast Hwy.
Redondo Beach |
|-----|--|

Identifying Number	Name and Address of Chevrolet Dealer
51.	Kenneth Chev. 422 N. Hawthorne Bl. Hawthorne
52.	Kent Chevrolet 850 S. Baldwin Ave. Arcadia (Galvin Chev. until 7/1/60)
53.	Owen Keown Chev. Co. 3233 Washington Bl. Venice
54.	Harry Mann Chev. Co. 5735 Crenshaw Bl. Los Angeles
55.	Metropolitan Chev. 3225 Sunset Bl. Los Angeles
56.	Miller Connell Chev. 1000 West Coast Hwy. Newport Beach (Miller Chev., Inc. until 8/7/61)
57.	Milliken Chev. Inc. 9032 Washington Bl. Culver City
58.	Mission Chev. Co. 100 S. San Gabriel San Gabriel
59.	A. E. Nugent Chev. 400 S. LaBrea Ave. Los Angeles
60.	Ostrom Chev. 310 Whittier Bl. Montebello (Harry M. Ostrom & Son until 7/1/61)
61.	Paramount Chev. Co. 11212 S. Paramount Downey
[fol. 1819]	
62.	Parkwood Chev. 5059 Lakewood Bl. Lakewood
63.	Paul's Chevrolet Inc. 1640 Cabrillo Ave. Torrance
64.	Martin Pollard Co. 5430 Lankershim Bl. No. Hollywood
65.	Pollard-Ravenscroft Co. 6232 Van Nuys Bl. Van Nuys
66.	Ernie Porter Chev. 245 W. Colorado St. Pasadena
67.	Potter Motor Co. 100 E. Valley Bl. Alhambra
68.	Ed Priester Chev. 3701 Oceanview Bl. Montrose

Identifying Number	Name and Address of Chevrolet Dealer
-----------------------	--------------------------------------

- | | |
|-----|--|
| 69. | Rancho Chevrolet
7056 Reseda Bl.
Reseda |
| 70. | Clem Ruh Chevrolet Co.
21100 Sherman Way
Canoga Park |
| 71. | S & J Chevrolet
11900 E. South St.
Artesia |
| 72. | Charles Schonlaw
7601 Sunset Bl.
Hollywood |
| 73. | Seaboard Motors
1831 S. Pacific Ave.
San Pedro |
| 74. | Security Chevrolet
146 S. Brea Bl.
Brea |
| 75. | Selman Chevrolet Co.
402 W. Chapman
Orange |

[fol. 1820]

- | | |
|-----|---|
| 76. | Service Chevrolet
1355 E. Colorado St.
Pasadena
(C. S. Mead Mtr. until 10/6/60) |
| 77. | M. K. Smith Chev.
319 W. Holt Bl.
Ontario |
| 78. | Maurice J. Sopp & Son
5801 Pacific Bl.
Huntington Pk. |
| 79. | Bob Sorenson Chev.
201 S. Greenleaf
Whittier |
| 80. | Southwest Chevrolet Co.
7101 S. Vermont Ave.
Los Angeles |
| 81. | Stanley Chevrolet
11980 E. Firestone Bl.
Norwalk |
| 82. | Don Steves Chev.
401 W. Whittier Bl.
LaHabra |
| 83. | Vista Chevrolet
5390 Riverside Dr.
Chino |
| 84. | West Adams Chev.
4471 W. Adams Bl.
Los Angeles |
| 85. | Bob Wondries Motors, DBA
Bob Wondries Chevrolet
1000 S. Brand Bl.
Glendale
(Howell Chev. until 12/9/60) |

[fol. 1821] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D

Discount Houses and Referral Services Shown On Exhibit A

Identifying Number	Name and Location of Discount House or Referral Service
1.	AAAA Auto Lease & Sales, Inc. (Leonard's Discount Store) 600 N. Sepulveda El Segundo
2.	AAAA Auto Lease & Sales, Inc. (Leonard's Discount Store) 12891 Harbor Garden Grove
3.	AAAA Auto Lease & Sales, Inc. 2514 W. Olympic Blvd. Los Angeles
4.	AAAA Auto Lease & Sales, Inc. 5200 Laurel Canyon Blvd. North Hollywood
5.	Autorama 9650 Lincoln Ave. (now 2322 Lincoln Ave. due to renumbering) Anaheim
6.	The Brockway Plan 1809 S. Brand Blvd. Glendale
7.	Cal Fleet Auto Sales (Cal Stores) 2500 Carson Lakewood Union Fleet, Inc. (Cal Stores, Lakewood) 2500 Carson Lakewood
8.	Car Wholesalers 13306 Ventura Blvd. Sherman Oaks
9.	Castle Sales, Inc. (More Department Store) 18300 Vanowen Reseda
[fol. 1822]	
10.	Castle Sales, Inc. (More Department Stores) 3443 S. Sepulveda Los Angeles
11.	Robt. Chico (AKA Chico Auto Sales, Inc.) (Gemco, Anaheim) 9700 Lincoln Ave. (now 2310 Lincoln Ave. due to renumbering) Anaheim Gemco, Anaheim 9700 Lincoln Ave. (now 2310 Lincoln Ave. due to renumbering) Anaheim

Identifying Number	Name and Location of Discount House or Referral Service
-----------------------	--

- | | |
|-------------|--|
| 12. | Robt. Chico (AKA Chico Auto Sales, Inc.)
(J.M. Arnoff Co.)
(Big "A" Stores)
8431 Canoga Ave.
Canoga Park |
| 13. | Robt. Chico (AKA Chico Auto Sales, Inc.)
(Udisco Store)
12500 Bellflower
Downey |
| 14. | Robt. Chico (AKA Chico Auto Sales, Inc.)
(Union Store)
9135 Central Ave.
Montclair |
| 15. | Robt. Chico (AKA Chico Auto Sales, Inc.)
(ABC Store)
3328 W. Bolsa
Santa Ana |
| 16. | Dealer's Diversified Services, Inc.
(Fedco Store)
5436 N. Woodruff
Lakewood |
| 17. | Dealer's Diversified Services, Inc.
(Fedco Store)
3912 Slauson
Los Angeles |
| 18. | Dealer's Diversified Services, Inc.
(Fedco Store)
14920 Raymer
Van Nuys |
| [fol. 1823] | |
| 19. | Arthur Diamond
12135 Victory Blvd.
North Hollywood |
| 20. | Fleet Sales Co.
3870 Crenshaw Blvd.
Los Angeles |
| 21. | Union Car Sales
(Consumer's Mart of America)
1440 S. Los Angeles St.
Anaheim |
| 22. | Union Car Sales
(Certi-Bond Store)
501 S. Arlington
Torrance |
| 23. | Castle Sales, Inc.
(More Department Store)
8682 Garvey Blvd.
South San Gabriel, California |

[fol. 1824] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J

List of New Car Dealers of Certain Manufacturers Located
Within Five Mile Radii of Each Chevrolet Dealer in the
Los Angeles Metropolitan Area

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
Angelus	15	1	1	1	1	1
	19	2	2	12	6	7
(No: 1)	27	24	20		17	
	37	25	21			
	55	26	22			
	66	44	41			
	67	48	43			
	85	49	50			
		51	60			
		56				
		71				
		89				
Total:	8	12	9	2	3	2
Arrow	4	6	29	15	7	10
	8	32	30	19	12	14
(No: 2)	9	33	40	21	16	
	11	42	41	25		
	24	49	44	26		
	30	50	45			
	47	51	50			
	55	52	51			
	78	53	52			
		54	53			
		55				
		56				
		57				
		58				
		59				
Total:	9	15	10	5	3	2
H. E. Baker	42	22	24	13	9	15
	46	28	25	14	20	
(No: 3)	50	29	26	17		
	51	62				
		75				
Total:	4	5	3	3	2	1

(A) Dealer [fol. 1825]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
J. V. Baldwin (No: 4)	2 9 24 30 47 54 55 59 78 80 84	32 33 43 45 46 47 49 50 51 52 53 54 55 56 57 58 59	29 30 41 42 44 45 46 47 48 50 51 52 53 54	15 20 21 22 23 25 26	7 13 15 16	9 10 13 14
Total:	11	17	14	7	4	4
Bill Barnett (No: 5)	28 31 48 61 62	7 8 14 15 23 70 88	4 8 9 10 11 19 33 38 71	3 6 37	10 23	4
Total:	5	7	9	3	2	1
Bartons (No: 6)	—	—	—	—	—	—
Beach City (No: 7)	23 40 62	37 38 39 40 41	34 35 36 37 38 39	18	10 11	12
Total:	3	5	6	1	2	1

(A) Dealer [fol. 1826]	(B) Chev.	(C) Ford	(D) Chrysa.	(E) AMC	(F) Stude.	(G) VW
Bellwood	2	6	11	9	7	6
(No: 8)	11	19	15	15	12	10
	28	20	16	19	23	
	60	32	29	28		
	61	33	30	37		
	78	42	40			
		52	71			
		53				
		61				
		65				
		88				
Total:	6	11	7	5	3	2
Warren Biggs	2	24	22	21	6	7
(No: 9)	4	30	27	23	14	9
	12	31	28	25	15	13
	24	43	41	26	16	14
	30	45	42			
	37	46	44			
	47	49	45			
	55	50	46			
	59	51	47			
	72	54	48			
	84	55	50			
	85	56	51			
		57	52			
		58	53			
		59	54			
Total:	12	15	15	4	4	4
Bliss & Paden	39	9	13	4	2	2
(No: 10)	41	10	14	8	22	5
	43	17	69	24		21
	53	18	70	36		
	57	60		41		
		85				
		86				
		95				
		97				
Total:	5	9	4	5	2	3

(A) Dealer [fol. 1827]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Boulevard	2	2	1	1	1	1
(No: 11)	8	6	2	15	7	10
	27	32	29	19	12	
	60	33	30	28		
	67	42	40			
	78	51				
		52				
		65				
Total:	6	8	5	4	3	2
Bruder	9	9	20	5	2	3
(No: 12)	24	10	21	12	4	7
	37	11	22	23	6	9
	43	12	27	24	14	13
	55	24	28	25	15	16
	59	25	42		16	
	72	26	46			
	84	30	47			
	85	31	48			
		43	50			
		49	51			
		54	52			
		58	53			
		67				
Total:	9	14	13	5	6	5
Tom Carrell		78	66	34	25	20
		79				
(No: 13)						
Total:	—	2	1	1	1	1
Century	42	22	24	11	8	5
(No: 14)	51	28	31	16	9	11
	54	34	32	17	13	
	80	35	49	20		
		45	54	22		
		46				
		47				
		55				
		59				
Total:	4	9	5	5	3	2

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1828]						
Citizens	1	24	20	12	6	7
(No: 15)	19	25	21		17	
	37	26	22			
	66	44	43			
	68	48	50			
	85	51	60			
		66				
		71				
		89				
Total:	6	9	6	1	2	1
Frank D. Clay	19	1	1	2	1	1
(No: 16)	27	2	2	31	19	17
	52	3	55	35		
	58	63	60			
	66	71	67			
	67	72	72			
	76	73				
		80				
		81				
		82				
		87				
		89				
Total:	7	12	6	3	2	2
Clippinger	25	5	12	7		23
(No: 17)		16	23			
		27	78			
		77	79			
		96				
Total:	1	5	4	1	—	1
College	29	74	61	32	32	18
(No: 18)	34	115	62	52		
	77	116	63			
		117	96			
			97			
			98			
Total:	3	4	6	2	1	1

(A) Dealer [fol. 1829]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Colliau	1	1	1	1	1	1
(No: 19)	15	2	2	31	17	17
	16	44	43	35	19	
	27	48	60			
	58	71	67			
	66	72	72			
	67	73				
	76	80				
		81				
		82				
		89				
Total:	8	11	6	3	3	2
Community	37	11	5	5	3	3
(No: 20)	38	12	6	12	4	7
	64	24	7	29	6	
	85	25	20	39	18	
		26	21			
		66	22			
		67	58			
		68	59			
		92	73			
			74			
Total:	4	9	10	4	4	2
Cone Bros.	22	101	84	44	28	25
(No: 21)	45	102	85	46	29	
	75	104	86	47		
		105	87			
		106	89			
		111	92			
Total:	3	6	6	3	2	1
Cone Chevrolet	21	101	84	44	28	25
(No: 22)	49	102	85	46		
	74	103	86			
		104	87			
		105				
		108				
Total:	3	6	4	2	1	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1830]						
Cornier	7	37	34	18	10	12
(No: 23)	32	38	35	43	11	
	40	39	36			
		40	37			
		41	39			
		100	82			
			83			
Total:	3	6	7	2	2	1
Courtesy	2	9	13	4	2	2
(No: 24)	4	10	27	20	13	9
	9	17	28	21	14	13
	12	30	41	23	15	14
	30	31	42	24	16	
	43	43	44	25		
	47	45	45	26		
	54	46	46			
	55	47	47			
	59	49	48			
	72	50	50			
	84	51	51			
		54	52			
		55	53			
		56	54			
		57				
		58				
		59				
Total:	12	18	15	7	5	4
Davies	17	16	12	7		
(No: 25)		27	23			
		77	78			
			79			
Total:	1	3	4	1	—	—
R. V. Dorweiler	33	3	17	2	5	
(No: 26)	52	5	18	10		
	58	21	57	35		
	67	80	67			
		81	72			
Total:	4	5	5	3	1	—

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1831]						
Economy	1	1	1	1	1	1
(No: 27)	11	2	2	19	12	17
	16	30	40	31	17	
	19	42	43	35	19	
	58	48	60			
	66	51	67			
	67	71	72			
	76	72				
		73				
		81				
		82				
		89				
Total:	8	12	7	4	4	2
Enoch	5	6	8	6	7	4
(No: 28)	8	14	9	15	23	10
	47	15	10	22		
	61	32	11	37		
	78	33	29			
	80	52	30			
		53	49			
		55	71			
		61				
		88				
Total:	6	10	8	4	2	2
Bob Erskine	18	74	61	32	32	18
(No: 29)	77	77	62	52		
	83	114	63			
		115	97			
		116	98			
Total:	3	5	5	2	1	1
Felix	2	32	29	15	7	10
(No: 30)	4	33	30	20	13	13
	9	45	41	21	15	14
	24	46	42	22	16	
	47	47	44	23		
	54	50	45	25		
	55	51	47	26		
	59	52	48			
	78	53	49			
	80	54	50			
	84	55	51			
		56	52			
		57	53			
		58	54			
		59				
Total:	11	15	14	7	4	3

(A) Dealer	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
[fol. 1832]						
George	5	4	3	3	10	4
(No: 31)	40	7	4	6		6
	48	8	8	9		
	61	14	9	30		
	62	15	10			
	71	69	11			
	81	70	15			
			33			
			37			
			38			
Total:	7	7	10	4	1	2
Fred Gledhill	23	38	34	18	11	8
(No: 32)	63	39	35	38		12
	73	40	36	43		
		41	37			
		83	39			
		84	68			
		91	82			
		100	83			
Total:	3	8	8	3	1	2
McDonald & O'Boyle	26	3	18	2		
(No. 33)	52	63	55	27		
		64	56			
		87	57			
			72			
Total:	2	4	5	2	—	—
Ted Grimm	18	115	96	52	32	
(No: 34)	77	116	97			
		117	98			
Total:	2	3	3	1	1	—
Groth		107	90	45		
				48		
(No: 35)						
Total:	—	1	1	2	—	—
Guaranty	75	111	92	47	31	27
(No: 36)		112	93	50		
		113	94	51		
			95			
Totals:	1	3	4	3	1	1

(A) Dealer [fol. 1833]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Gwynn	1	11	5	5	3	7
(No: 37)	9	12	6	12	4	9
	12	24	7		6	
	15	25	20		17	
	20	26	21			
	55	30	22			
	85	31	27			
		44	28			
		48	41			
		49	43			
		51	46			
		54	50			
			52			
Total:	7	12	13	2	4	2
Robt. Hall	20	11	5	39	3	
(No: 38)	68	66	6			
		92	7			
			73			
			74			
Total:	2	3	5	1	1	—
Hansen	10	9	13	4	2	2
(No: 39)	41	10	14	8	22	5
	43	17	69	24		21
	55	18	70	36		
	57	60		41		
		85				
		86				
		95				
		97				
Total:	5	9	4	5	2	3
Harbor	7	7	3	18	10	12
(No: 40)	23	8	4		11	
	31	15	33			
	48	37	34			
	62	38	35			
		39	36			
		40	37			
		41	38			
		70	39			
Total:	5	9	9	1	2	1

(A) Dealer [fol. 1834]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Hastings	10	60	69	36	22	21
(No: 41)	39	85	70	41		
	53	86				
		95				
		97				
Total:	3	5	2	2	1	1
Hessell	3	22	24	13	8	11
(No: 42)	14	28	25	14	9	15
	51	29	26	16		
	53	34	31	17		
		35	32			
		62				
Total:	4	6	5	4	2	2
Hoehn	10	9	13	4	2	2
(No: 43)	12	10	14	8	14	5
	24	17	27	23	15	9
	39	18	28	24	16	13
	57	30	42	41		16
	59	31	47			
	72	43	48			
	84	45	51			
		46	52			
		58	53			
		60				
		97				
Total:	8	12	10	5	4	5
Hoffman		5	78			23
(No: 44)		36	79			
		96				
Total:	—	3	2	—	—	1
Eddie Hopper	21	102	84	44	29	
(No: 45)		106	88	47		
		111	89	51		
			95			
Total:	1	3	4	3	1	—

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1835]						
Harvey Dallas	3	23	19	11	9	15
(No: 46)	51	28	24	13		
	63	29	25	14		
		34	26	16		
		62	32	17		
		91	49	38		
Total:	3	6	6	6	1	1
Fletcher Jones	2	32	29	15	7	10
(No: 47)	4	33	30	20	8	13
	9	35	31	21	13	14
	24	45	42	22	23	
	28	46	44	25		
	30	47	45	26		
	54	50	49			
	78	52	51			
	80	53	53			
	84	55	54			
		56				
		57				
		58				
		59				
		88				
Total:	10	15	10	6	4	3
Glen Jones	5	4	3	3	10	4
(No: 48)	31	7	4	6	23	6
	40	8	8	9		
	61	14	9	37		
	62	15	10			
	81	19	11			
		20	15			
		61	16			
		69	33			
		70	38			
			71			
Total:	6	10	11	4	2	2
Tom Keating	22	4	85	30		24
(No: 49)	71	69	86	46		25
	81	103	87			
		104				
		105				
Total:	3	5	3	2	—	2

(A) Dealer [fol. 1836]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Deeb Motors (No: 50)	3 63	22 28 29 62 75 91	25 26	13 14 17 38	9 20	15
Total:	2	6	2	4	2	1
Kenneth (No: 51)	3 14 42 46 54 80	22 23 28 29 34 35 47 62	19 24 25 26 31 32 49	11 13 14 16 17 22	8 9	11 15
Total:	6	8	7	6	2	2
Kent (No: 52)	16 26 33 58 76	1 3 21 63 64 72 73 80 81 82 87	17 18 55 56 57 60 67 72	2 10 27 31 35	5 19	17
Total:	5	11	8	5	2	1
Owen Keown (No: 53)	10 39 41 42 57	17 18 22 60 85 86 95 97	13 14 69 70	8 36 41	22	5 11 21
Total:	5	8	4	3	1	3

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrya.	AMC	Stude.	VW
[fol. 1837]						
Harry Mann	4	17	13	8	8	5
(No: 54)	14	18	14	16	13	11
	24	34	24	20	15	13
	30	35	31	22		14
	47	45	32	23		
	51	46	42	24		
	57	47	44	25		
	80	53	45	26		
	84	55	49			
		57	51			
		58	53			
		59	54			
Total:	9	12	12	8	3	4
Metropolitan	1	24	20	12	6	7
(No: 55)	2	25	21	21	14	9
	4	26	22	23	15	14
	9	30	27	25	16	
	12	31	28			
	15	43	41			
	24	49	42			
	30	50	44			
	37	51	45			
	59	54	46			
	72	56	47			
	85	57	48			
		58	50			
			51			
			52			
			53			
Total:	12	13	16	4	4	3
Miller Connell		109	91	45		26
(No: 56)		110				
Total:	—	2	1	1	—	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1838]						
Milliken	10	9	13	4	2	2
(No: 57)	34	10	14	8	8	5
	39	17	31	20	13	11
	43	18	42	23	14	13
	53	35	47	24	15	
	54	43	48	41		
	59	45	51			
		46	54			
		47				
		58				
		59				
		60				
		95				
		97				
Total:	7	14	8	6	5	4
Mission	16	1	1	1	1	1
(No: 58)	19	2	2	2	5	17
	26	3	17	10	19	
	27	21	18	31		
	52	71	60	35		
	96	72	67			
	67	73	72			
	76	80				
		81				
		82				
		87				
		89				
Total:	8	12	7	5	3	2
A. E. Nugent	4	9	13	4	2	2
(No: 59)	9	10	14	8	13	5
	12	17	27	20	14	9
	24	18	28	21	15	13
	30	30	42	23	16	14
	43	31	44	24		
	55	43	45	25		
	57	45	46	26		
	72	46	47			
	84	47	48			
		49	51			
		50	52			
		54	53			
		58	54			
		59				
Total:	10	15	14	8	5	5

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1839]						
Ostrom	8	2	15	1	12	
(No: 60)	11	6	16	9	26	
	61	19	40	19		
	67	20	80	28		
	79	42		42		
		65				
		98				
		99				
Total:	5	8	4	5	2	—
Paramount	5	6	3	3	23	6
(No: 61)	8	7	4	6		
	28	8	9	9		
	31	14	10	28		
	48	19	11	30		
	60	20	15	37		
	81	61	16			
		65	71			
		69				
		70				
		88				
Total:	7	11	8	6	1	1
Parkwood	5	4	3	3	10	4
(No: 62)	7	7	4	18		
	31	8	9			
	40	15	33			
	48	37	34			
	71	39	35			
		40	37			
		41	38			
		70	39			
Total:	6	9	9	2	1	1
Pauls	32	23	19	11	9	8
(No: 63)	46	29	25	13	20	
	50	75	26	17		
		91	82	38		
		100	83	43		
Total:	3	5	5	5	2	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1840]						
Martin Pollard	20	11	5	5	3	3
	65	12	6	29	4	16
(No: 64)	72	67	7	40	18	22
		68	58		24	
		90	59		25	
		93	75			
		94	76			
			77			
Total:	3	7	8	3	5	3
Pollard Ravens	64	68	58	29	18	16
		90	59	40	24	19
(No: 65)		93	65		25	22
		94	75			
			76			
			77			
Total:	1	4	6	2	3	3
Ernie Porter	1	1	1	1	1	1
	15	2	2	31	17	17
(No: 66)	16	44	43	35	19	
	19	48	60			
	27	71	67			
	58	72				
	67	73				
	76	80				
		81				
		82				
		89				
Total:	8	11	5	3	3	2
Potter	1	1	1	1	1	1
	11	2	2	19	12	17
(No: 67)	16	42	17	28	17	
	19	48	18	31	19	
	26	65	40	35		
	27	71	43			
	58	72	60			
	60	73	67			
	66	80	72			
	76	81				
		82				
		89				
Total:	10	12	9	5	4	2

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrya.	AMC	Stude.	VW
[fol. 1841]						
Ed. Priester	15	11	5	5	3	
(No: 68)	38	12	6	12		
	85	25	7	39		
		26	20			
		44	21			
		66	73			
		92				
Total:	3	7	6	3	1	—
Rancho	70	13	64	33	21	19
(No: 69)		76	65			
		94	77			
Total:	1	3	3	1	1	1
Clem Ruh	69	13	64	33	21	19
		76	65			
(No: 70)						
Total:	1	2	2	1	1	1
S & J	31	4	3	3		
(No: 71)	49	7	4	30		
	62	8	33			
	81	69				
		103				
Total:	4	5	3	2	—	—
Schonlaw	9	9	27	4	2	2
(No: 72)	12	10	28	23	14	3
	24	17	42	24	15	9
	43	30	46	25	16	13
	55	31	47			16
	59	43	48			
	64	45	51			
	84	49	52			
		54	53			
		58	58			
		67				
		90				
Total:	8	12	10	4	4	5

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1842]						
Seaboard	32	83	68	43		8
		84	82			
(No: 73)		100	83			
Total:	1	3	3	1	—	1
Security	22	104	85	46		
	82	105	86	49		
(No: 74)		108	87			
Total:	2	3	3	2	—	—
Selman	21	102	84	47	31	27
	36	111	92	50		
(No: 75)		112	93	51		
		113	94			
			95			
Total:	2	4	5	3	1	1
Service	16	1	1	1	1	1
	19	2	2	31	17	17
(No: 76)	27	44	43	35	19	
	52	48	60			
	58	71	67			
	66	72	72			
	67	73				
		80				
		81				
		82				
		87				
		89				
Total:	7	12	6	3	3	2
Smith	18	114	61	52	32	18
	29	115	62			
(No: 77)	34	116	96			
	83	117	97			
			98			
Total:	4	4	5	1	1	1

(A) Dealer [fol. 1843]	(B) Chev.	(C) Ford	(D) Chrys.	(E) AMC	(F) Stude.	(G) VW
Sopp (No: 78)	2 4 8 11 28 30 47 80	6 32 33 42 50 52 53 55 56 57 59 61 88	29 30 40 44 45 71	15 19 21 22 26 37	7 12 23	10 14
Total:	8	13	6	6	3	2
Sorenson (No: 79)	60	20 65 98 99	16 80 81	28 42 49	26 27	24
Total:	1	4	3	3	2	1
Southwest (No: 80)	4 14 28 30 47 51 54 78 84	32 33 34 35 45 46 47 50 52 53 55 57 58 59 88	24 29 30 31 32 42 44 45 49 51 54	15 16 20 21 22 26	7 8 13 23	10 11 13 14
Total:	9	15	11	6	4	4
Stanley (No: 81)	31 48 49 61 71	4 7 8 19 20 69 70 98 99	3 4 15 16 33 80 81	3 9 30	27	6
Total:	5	9	7	3	1	1

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Dealer	Chev.	Ford	Chrys.	AMC	Stude.	VW
[fol. 1844]						
Steves	74	104	81	49	27	24
(No: 82)		105	85			
		108	86			
Total:	1	3	3	1	1	1
Vista	29	74	61	32	32	18
(No: 83)	77	114	62	52		
		115	63			
		116	96			
			97			
			98			
Total:	2	4	6	2	1	1
West Adams	4	9	13	4	2	2
(No: 84)	9	10	14	8	8	5
	12	17	27	20	13	9
	24	18	28	21	14	13
	30	30	31	23	15	14
	43	31	42	24	16	
	47	35	44	25		
	54	43	45			
	57	45	47			
	59	46	48			
	72	47	51			
	80	50	52			
		54	53			
		55	54			
		56				
		57				
		58				
		59				
Total:	12	18	14	7	6	5
Wondries	1	11	5	5	3	7
(No: 85)	9	12	6	12	4	
	12	24	7		6	
	15	25	20		17	
	20	26	21			
	37	30	22			
	55	31	27			
	68	44	28			
		48	41			
		49	43			
		51	46			
		54	50			
Total:	8	12	12	2	4	1

[fol. 1845]

[File endorsement omitted]

[fol. 1846] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AA

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL
CHEVROLET DEALERS ASSOCIATION, Defendants.

STIPULATION OF FACTS NUMBER TWO—May 20, 1964

[fol. 1847] Plaintiff and each of the defendants, through
their respective counsel, hereby stipulate that witnesses,
if called, would testify to the following facts:

1. The photographs annexed hereto as Attachments 1,
3, 4 and 5 are true and correct reproductions of photo-
graphs taken at the Gemco Auto Show held at the Gemco
parking lot, 2310 West Lincoln, Anaheim, California,
on Friday evening, November 11, 1960, and Saturday,
November 12, 1960. Each of such photographs fairly
and accurately represents the physical appearance of the
pictured portion of the said Gemco Auto Show at the
time such photographs were taken.

Said photographs show that the cars on display at the
described Gemco Auto Show included the following new
Chevrolet automobiles:

- (1) A 1961 Model 927 Chevrolet Monza Coupe (white)
(Shown in Attachment 1);
- (2) A 1961 Model 927 Chevrolet Monza Coupe (black)
(Shown in Attachments 3 and 5);
- (3) A 1961 Model 1839 Chevrolet Impala Sports
Sedan (Shown in Attachments 1, 3 and 4);
- (4) A 1961 Model 1837 Chevrolet Impala Sports
Coupe (Shown in Attachments 1, 3, 4 and 5).

[fol. 1848] 2. As shown in Attachment 1, attached to the rear bumper of the 1961 Model 1837 Chevrolet Impala Sports Coupe is a Citizens Chevrolet license plate frame and cardboard filler similar to the one pictured in Attachment 2 of this stipulation.

3. Attachment 2 annexed hereto is a true and correct photographic copy of the license plate frame and cardboard filler regularly attached to new 1961 Chevrolets by the Citizens Chevrolet Company, Eagle Rock, California.

4. As shown in Attachments 3 and 5, pasted on the inside of the left rear window of the 1961 Model 1837 two-door Impala Sports Coupe is a manufacturer's suggested retail price "sticker" required by federal statute (Public Law 85-506, 85th Congress) to be attached by each manufacturer to each new car it sells to a dealer. A sample of the form of such sticker used by the Chevrolet Motor Division for this purpose is attached to this stipulation as Attachment 6.

5. As shown in Attachment 4, a Citizens Chevrolet license plate frame similar to the one pictured in Attachment 2 (without the cardboard filler) is attached to the center of the rear bumper of the 1961 Model 1837 Chevrolet Impala Sports Coupe.

[fol. 1849] 6. The advertising materials attached hereto as Attachments 8 through 59 and described in the attached list, marked Attachment 7, are true and accurate samples of the advertising material of the described kinds used by the concessionaires, discount houses and referral services named therein during the period between January 1, 1960 and October 12, 1961.

A. Each of such advertising materials designated as a "newspaper ad" in column 2 of such list is a true and correct copy of a page from the newspaper named in column 3 of such list, circulated on the date or dates shown in column 4 thereof, containing a paid advertisement which the concessionaire, discount house or referral service named in column 5 of such list caused to be so published in the said newspaper.

B. Each of such advertising materials designated as "general ad" in column 2 of such list is a true and correct copy of a piece of advertising or a page from

advertising material which was distributed to the public either by hand or by United States mail under the direction of the concessionaire, discount house or referral service named in column 5 of such list.

[fol. 1850] C. The advertising material designated "Chevrolet brochure" in column 2 of such list is a true and correct copy of a brochure printed under the direction of the Chevrolet Motor Division of General Motors Corporation and distributed by said Chevrolet Motor Division to Chevrolet dealers. Subsequent to such distribution this brochure was hand stamped by or at the direction of Leonard's Store as follows:

"\$\$\$ Save \$\$\$
New Cars
Leonard's
International
600 No. Sepulveda-El Segundo"

and was distributed to the public at such Leonard's Store.

7. The advertising materials attached hereto as Attachments 60 through 63, and described below, are true and accurate samples of the advertising material of the described kinds used by the concessionaires, discount houses and referral services named during the period between January 1, 1960 and October 12, 1961.

A. Attachment 60 hereto is a true and correct copy of a business card used by sales representatives at and distributed to the public under the direction of J. M. Arnoff Co. (Big "A" Store), 8341 Canoga Avenue, Canoga Park, California.

[fol. 1851] B. Attachment 61 hereto is a true and correct copy of a "fold-over" business card used by sales representatives at and distributed to the public under the direction of Fleet Sales Company, 3870 Crenshaw Boulevard, Los Angeles, California.

C. Attachments 62 and 63 hereto are true and correct copies of a portion of the "referral slip" used by certain Chevrolet dealers and Fleet Sales Company, as described by Charles Miller and Bernard T. Dottl in Defendants' Designations and Affidavits.

* * * * *

[fol. 1852] Dated May 20, 1964.

Maxwell M. Blecher, Robert C. Weinbaum.
Maxwell M. Blecher, Attorney, Department
Justice. O'Melveny & Myers, Lawler, Felix
Hall, Aloysius F. Power, Robert A. Nitsch
Nicholas J. Rosiello. By Homer I. Mitch
Hansen & Dolle, Glenn S. Roberts. By Victor
Hansen, Attorneys for Defendants.

It is so ordered this 1st day of June, 1964.

Charles H. Carr, United States District Judge.

[fol. 1853]

(1)	(2)	(3)	(4)	(5)	(6)
Attachment No.	Form of Advertisement	Name of Publication	Date of Publication	Name of Concessionaire; Discount House or Referral Service	Advertised Location
8	Chevrolet brochure	Evening Telegram (San Bernardino)	Oct. 1960	Robert Chico, FORE	1201 E. Highland, San Bernardino
9	Newspaper ad	The Daily Sun (San Bernardino)	9/22/60	" "	" "
10	"	Evening Telegram (San Bernardino)	9/23/60	" "	" "
11	"	Gemco Buyers Guide	11/4/60	" "	" "
12	General ad	"	April 1960	Robert Chico, Gemco	9700 Lincoln, Anaheim
13	"	"	May 1960	" "	" "
14	"	"	Sept. 1960	" "	" "
15	"	"	Nov. 1960	" "	2310 W. Lincoln, Anaheim
16	Newspaper ad	Los Angeles Times	11/10/60	" "	9700 Lincoln, Anaheim
17	General ad	Gemco Magazine	Dec. 1960	" "	2310 W. Lincoln, Anaheim
18	"	"	"	" "	" "
19	"	"	"	" "	" "
20	"	Gemco Buyers Guide	Jan. 1961	" "	" "
21	"	The Register (Santa Ana)	6/23/61	Gemco	" "
22	"	"	7/28/61	"	" "
23	"	The News (Garden Grove)	8/11/61	"	" "
24	"	Daily News-News Advertiser (Garden Grove)	6/30/60	"	" "
25	"	The Register (Santa Ana)	10/27/60	Robert Chico, ABC Store	3328 W. Bolsa, Santa Ana
26	"	The News (Garden Grove)	6/7/61	ABC Store	" "
27	"	" (2 pg.) N. Hollywood Valley Times	11/24/60	Robert Chico, Big "A" J. M. Arnoff Co.	8341 Canoga Ave., Canoga Park

(1) Attachment No.	(2) Form of Advertisement	(3) Name of Publication	(4) Date of Publication	(5) Name of Concessionaire; Discount House or Referral Service	(6) Advertised Location
[fol. 185-4]					
28	Newspaper ad	L. A. Herald & Express	11/24/60	Robert Chioo, Big "A"	8341 Canoga Ave.,
29	"	"	11/24/60	J. M. Arnoff Co.	Canoga Park
30	"	Los Angeles Times	11/27/60	"	"
31	General ad	Cal Stores Magazine	Jan. 1960	Cal Fleet Auto Sales (Cal Stores)	2500 E. Carson, Lakewood
32	"	"	Feb. 1960	"	"
33	"	"	March 1960	"	"
34	"	"	May 1960	"	"
35	"	"	June 1960	"	"
36	"	"	July 1960	"	"
37	"	"	Sept. 1960	"	"
38	"	"	Nov. 1960	"	"
39	"	"	Jan. 1961	"	"
40	"	"	March 1961	"	"
41	"	"	Sept. 1961	"	"
42	"	Cal Stores Magazine	Undated	"	No address shown
43	Newspaper ad	Sana Ana Register	"	"	"
44	General ad	CMA News	Oct. 1960	Union Car Sales (CMA)	"
45	"	Fedco Reporter	July 1960	Dealers Diversified	"
46	"	Garden Grove News	6/2/60	Services, Inc., Fedco	"
47	Newspaper ad	"	"	AAAA Auto Lease & Sales,	12891 Harbor Blvd., Garden
				Inc., Leonard's	Grove; 600 N. Sepulveda Blvd.,
					El Segundo

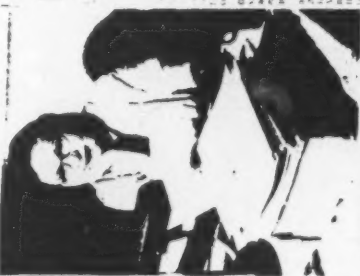
(1) Attachment No. [fol. 1855]	(2) Form of Advertisement	(3) Name of Publication	(4) Date of Publication	(5) Name of Concessionaire; Discount House or Referral Service	(6) Advertized Location
48	Newspaper ad	Daily News-News Advertiser (Garden Grove)	6/9/60	AAAA Auto Lease & Sales, Inc., Leonard's	12891 Harbor Blvd., Garden Grove, 600 N. Sepulveda Blvd., El Segundo
49	"	The Register (Santa Ana)	7/6/60	"	Both above addresses
50	"	Daily News (Garden Grove)	7/7/60	"	"
51	"	Los Angeles Times	8/18/60	"	"
52	"	Daily News (Garden Grove)	8/25/60	"	"
53	"	Los Angeles Times	8/25/60	"	"
54	"	The Register (Santa Ana)	8/31/60	"	"
55	"	Los Angeles Times	9/1/60	"	"
56	"	Daily News (Garden Grove)	10/20/60	"	"
57	"	The Register (Santa Ana)	10/20/60	"	2891 Harbor Blvd., Garden Grove
58	General ad	Garden Grove Welcome Book	1960-61	"	Both above addresses
59	"			"	600 N. Sepulveda Blvd., El Segundo, Calif.

Attachment 7

17 MODEL HOMES TO GO ON DISPLAY AS MISSILES Program Move to Norton Still Under Wraps

Friday, Sept. 23, 1960 THE DAILY CLERK B-3

Model homes to go on display as the missile program move to Norton Air Force Base is still under wraps. The homes, which are being built by the Air Force, will be open to the public for a period of time. The homes are being built in the area of the base, and will be open to the public for a period of time. The homes are being built in the area of the base, and will be open to the public for a period of time.



BOYER OF STUDY—Miss Mary Lee Babin, chairman of the League of Women Voters, is talking with a member of the League of Women Voters, a membership information day session. (See Telegram photo)

League Women Plan Panel Talk for Membership Fete

The League of Women Voters is planning a membership fete and panel talk for the coming year. The event will be held at the local community center. The panel will discuss various topics related to the League's activities and goals. The event is open to all members and is a great opportunity to meet and hear from the League's leaders.

HOUSE PLYWOOD OF

1100 WATERMAN AT BALD LANE
9:00 AM - 5:00 PM
TUESDAY 91-4140

FORE

MEMBERSHIP DEPARTMENT STORE
Open Soon
at 1201 L. Highland Ave., San Bernardino



COMPLETE DEPARTMENTS

INCLUDING NEW 1961 AUTOMOBILES
At FORE's, Inc., you get the most to shop all over Southern California for your 1961 car! The most varied makes of 1961 cars will be available to you in the FORE New Car Department! Full new car warranty and attractive service plans! FORE's New Car Buying Center brings you the greatest savings on the most popular makes of cars!

ARE YOU ELIGIBLE?

- Are you eligible for membership if you are:
 - A U.S. Citizen or born
 - At least 18 years of age
 - A resident of California
 - A member of one of the following organizations:
 - U.S. Navy
 - U.S. Army
 - U.S. Air Force
 - U.S. Marine Corps
 - U.S. Coast Guard
 - U.S. Merchant Marine
 - U.S. Civilian Control Administration
 - U.S. Civilian Control Administration

JOIN NOW

11 LIFETIME Membership Application
P.O. Box 12011, Highland Ave.,
San Bernardino, Calif.



SIERRA SAVINGS

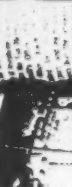
Any 10¢ or more in savings
on any purchase of \$1.00 or more
will entitle you to a 10¢ credit
toward the purchase of any
other goods or services.
Valid until 10/31/60.

ARLOW'S CENTRAL

CLOSED SATURDAYS
OPEN SUNDAYS

FRIGIDAIRE'S RING CIRCUS

LAUNDRY VALUES
THE NEW FRIGIDAIRE
TUBS ACTION WASHER



Any 10¢ or more in savings
on any purchase of \$1.00 or more
will entitle you to a 10¢ credit
toward the purchase of any
other goods or services.
Valid until 10/31/60.

WANTED

YOUR LIFE'S SAVINGS
REWARD
ADDITIONAL REWARD



Any 10¢ or more in savings
on any purchase of \$1.00 or more
will entitle you to a 10¢ credit
toward the purchase of any
other goods or services.
Valid until 10/31/60.

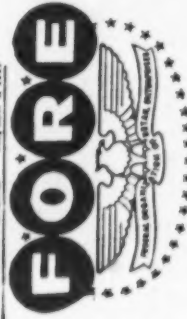
SIERRA SAVINGS

Any 10¢ or more in savings
on any purchase of \$1.00 or more
will entitle you to a 10¢ credit
toward the purchase of any
other goods or services.
Valid until 10/31/60.

ARLOW'S CENTRAL

CLOSED SATURDAYS
OPEN SUNDAYS

5-15—EVENING TELEGRAM Fri., Nov. 4, 1949



Your Response to Our 7-Day Public Showing
OVERWHELMING!

MORE **100,000**
THAN

OF YOU VISITED
F.O.R.E. (BY ACTUAL
COUNT AT THE DOOR)

1201 East Highland Avenue, San Bernardino



FOR THE
MOST
IN SAVINGS!

Save your food budget problems at **FORE**, where you get greater variety, better selection and at **lowest prices!**

DAILY DIET DOG FOOD
NO. 1 TALL CAN
5¢

COLORTEX—PAPER NAPKINS
Soft and Absorbent
40 COUNT PACKAGE
7¢

ICE CREAM
ASSORTED FLAVORS
1/2-GALLON
69¢

Shop today. Tomorrow or the next... No matter when you buy your grocery needs... you save **MORE** at **FORE**...

TOMATO JUICE
SPRINGFIELD
A delicious, refreshing treat... Vitamin packed
48-oz. Cans
17¢

LIMIT RIGHTS RESERVED — ABOVE PRICE EFFECTIVE THRU NOV. 13th



FOR THE
MOST
IN SAVINGS!



11 PIECE STARTER GOLF SET

WONDERFUL BUY FOR THE BEGINNER

- WELL MADE IRONS
- 2 WELL BALANCED WOODS
- BAG FOR EASY HANDLING
- 3 GOLF BALLS
- 2 WOOD COVERS

F.O.R.E. PRICE **\$34.95** SET

KROYDON Golf Sets \$54.95



110 POUND MARBELL SET
Complete with divided bag
\$20.95

COLEMAN ICE CHEST
Model 5114
Limited Quantity
\$9.48

CROOK SET
4 Head
\$31.95

3 Woods — 8 Irons — With Genuine Tree Trunk Shafts

FORE NEW CAR DEPARTMENT

PICK THE ONE THAT SUITS YOU BEST!

Your new car department has all the latest models. They are factory fresh with complete service and warranty.

If you are interested in any new car, read these facts. Here is the key to the modern miracle of motor car savings.

Since we have no as to grind, we do not push any particular make or model. You are free to make any selection you like... buy cars, compact, or imported.

Complete selection of equipment, colors, and upholstery fabrics from 1951 factory specifications.

We take trading-in and allow you the top market value for your car. Interest 1 1/2% rate 5 years... 20% down. 36 months to pay.

F.O.R.E. INSURANCE, INC.

Card To R

San Bernardino High School from Riverside 4 p.m. to 10 p.m. Nov. 4



NEW NEWS-UP
Arch starts at 10 p.m. for San Bernardino High School from Riverside 4 p.m. to 10 p.m. Nov. 4

IN N.Y. TONIGHT
Chargers AFL Top 5

Cow Palace For L.A., Nat



RED WORRIED LANS' DEFENSE

The Red Army is the most powerful force in the world. It is the only force that is not afraid of the atom bomb. It is the only force that is not afraid of the atom bomb. It is the only force that is not afraid of the atom bomb.

THE BILLBOARD

BUY SELL TRADE



BOAT for sale, 14' plywood, glass lined, 6 h.p. Mercury motor and trailer, \$255. complete. Robert Myers, LAmbert 8-8250.

HOUSE FOR SALE BY OWNER—2 & 3 BEDROOM, duplex, w/w carpet throughout—Many extras. Perfect condition. 3 1/2 years old. Pay to existing 4 1/2% loan then \$116 per month. Excellent location. Original owner living in 3 bedroom. Immediate possession. 727 Chelvan Circle, Orange. Phone KE 8-7772

WESTINGHOUSE refrigerator and freezer, O'Keefe & Merritt Gas Stove, Pink O. E. 11 cu ft refrig. & freezer revolving shelves. Pink O. E. Electric double Oven Stove. Pink G. E. Washer. Westinghouse Washer. All in excellent condition. Moving to home with built-ins. Must sell. Phone KE 8-7772.

FOR SALE, 5 foot modern bathtub and double stationary tubs. Contact T. O. Millard at 7331 9th St., Buena Park, or call LA 2-6787.

FOR SALE, Used Cabinets, lumber and shelving. Ideal for workshop or garage. Ira Forrest, 9441 Belfast Drive, Garden Grove, California. JE 4-0424

REARS Wringer type washer, \$25.00. Neon Sign Electric Clock, \$75.00. Maple Cutting Board, 3x20 1/2x48, \$40.00. Commercial B.B.Q. Machine (6-2 lb birds) on stainless steel stand, \$200.00. Phone LI 8-8601, 166 Virginia Place, Costa Mesa, Calif.

FOR SALE, Complete shoe bronzing business, cost \$250. Will sell for \$100. Also American Flyer train layout. Ph. LA 6-1712. 2213 W. Carol Dr. Fuller, In.

14-FT. RUN-A-BOUT
BOAT FOR SALE, Leather upholstered, fiberglass bottom, mahogany top deck, windshield, steering, 20 h.p. Merc motor, with trailer. Reasonable. Phone JA 7-9806.

FOR SALE, Pontiac, 1956, Hydramatic, Radio, heater, hardtop, 4-door, whole sale book price, \$775. Phone JA 7-9152.

SIMMONS hide-a-bed 81", long boy with \$79.50 Beauty Rest mattress and wide sit-on-arms. Persimmon-rose color. Cost \$200.00 last year, sacrifice \$145.00. Maple Bed, innerpring and mattress with four drawer chest, matching mirror and what-not shelf. Good condition. \$50.00. PR 4-4123.

HUNTER quick draw holster for double nine pistol. Like new \$7.00. 12203 Roseton Ave., Norwalk. UN 4-9090.

WILL DO painting in exchange for a car, furniture or misc. Ph. JA 7-2456.

WALNUT bedroom suite—Bed, double dresser and chest on chest.

RCA Mahogany 12 1/4 inch TV comb. Radio-Phonograph-TV.

2 wooden Dinette Sets, Pictures, etc. Priced for quick sale. Ph. LE 9-3417.

MODERN divan, chair, and Ottoman, brown and white tweed. All 3 pieces, \$100. Phone LA 2-8503.

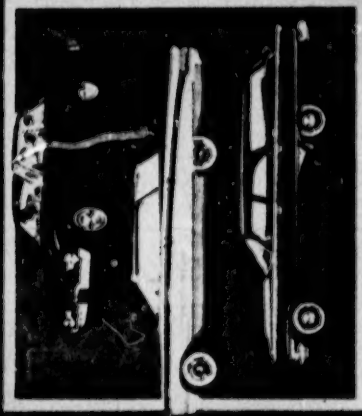
MODERN dining room set, dropleaf extends 7 foot. Custom pad for table. 6 chairs. Phone JA 7-8512.

FOR SALE, 120 bass accordian, red and white pearl with three tone changes, \$125. Also Kenmore console mangle, \$75. Phone JA 7-2306.

LEICA LENSES, 90 mm \$35, 35 mm Wide Angle, \$40, E-2 Summer, 50 mm \$30 and other items. Sell or trade. Ph. LA 5-2700.

HOTPOINT electric stove, 1st class condition, \$75.00. Hotpoint refrigerator, 11 cu. ft. Like new, \$100.00. Iron-rite Ironer, \$100.00. Phone LE 9-2729.

Be sure and submit your ad for next months issue. You must have it in by the 19th to assure publication.



WHY PAY HUNDREDS OF DOLLARS EXTRA ELSEWHERE! Shop around and then bring your best possible price into Gemco. Then you'll find out why we say "BETTER BUYING MEANS BETTER LIVING."

from the desk of . . . Gemco George

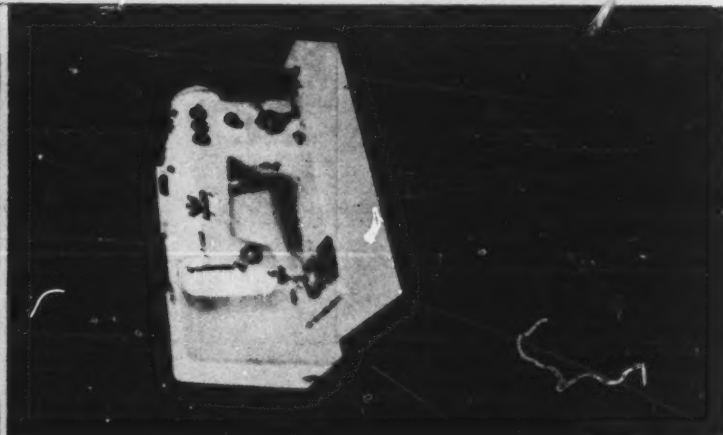
Your response to our GEMCO-GRAM was certainly wonderful. We have therefore taken the liberty of including it in this month's issue in case you have misplaced the last magazine. This is very possibly the last time this will be offered, so . . . if you wish to participate, I urge you to hurry to avoid being disappointed.

Our patio department is in full swing now. Don't forget to stop in and see all the quality outdoor furniture and accessories that make California Living a reality.

Watch for your mid-month flyer this month. It has exciting Sporting news. I can't tell you all the details right now, but I CAN tell you that it's something that you won't want to miss . . .

Remember . . . If you're shopping for a really exceptional gift for Mom or your wife, we would like to remind you that all of Gemco's departments are packed-up with a fabulous array of gift items that will make selecting the "Just Right Gift" a real pleasure.

See you next month . . .
GEMCO GEORGE



VISIT OUR COMPLETE
RUG AND CARPET DEPT.

2.97
AT GEMCO

BUY SELL TRADE

1963 FORD, one owner, \$175; Vacuum with attachments, \$10; Youth Bed, clean mattress & side rails, \$25. Phone JA 7-9824.

Marchant Calculator Machine — Good working condition. \$125.00. Call Hugh Carey PR 2-2000 Ext. 36

1960 KAMPER KABIN, for Std. Short Bed, Five Lower Windows, Interior Lights, Top Vent, Table & Twin Beds. 2827 E. La Palma Ave. Lot 44 Anaheim.

500 x 15 1st Line Tubeless Tire Good year Never used. \$18.00 PR 4-5562.

LAKE ARROWHEAD—Home for Rent by Day or Week. \$10 per day. Call LA 1-2517.

British made Baldwin Trumpet, excellent condition. \$65.00. 2237 Stonybrook Dr., West Anaheim. Taylor 8-1744.

NEED RIDE to Nortonix (Northrop Hawthorne) daily. My hours: 7:30 a.m. to 4:15 p.m. Pick up at Chapman Ave. & Emerald St. Eastgate - Garden Grove. — 11912 Emerald St. - 1 block North of Chapman.

FOR SALE—30" Roll-Away Bed with Mattress. Good condition. \$10.00. Ph. LA 6-1712.

1959 - 16 ft. plywood glassed boat and trailer. 35 H.P. Evinrude outboard—Forward controls. Life jacket—Bait pump. Extras. \$900.00. 11022 Hebard Place, Garden Grove. JE. 4-5636.

WANTED to Buy Bottle Gas Regulator and connections. Also stroller in good condition. LA 6-1712.

MOVIE CAMERA 8mm Keystone Mag. loading. Built-in light meter. Complete with leather case. Cost \$175. Like new; \$65.00. JE 4-0424.

SUNBEAM ELECTRIC SHAVER Perfect condition. \$10.00 JE 4-0424.

PHOTO EQUIPMENT — One 80-A Polaroid w/Model 281 flash, \$45. One 95-B Polaroid, brand new. List \$97.50; sell \$65. One Keystone K 32 8 mm. Movie Camera, f1.9 in focusing mount, light bar, conversion filter, \$35. Phone LA 6-5804.

POWER TOOLS — Woodworking. Call JA 7-6254.

FOR SALE—New 11' x 9' tent, Coleman lantern, 2-burner stove and 3 air mattresses. \$40.00. 8726 Harrison Way, Buena Park.

FOR SALE—Coffee table with 2 matching end tables, walnut finish. In good condition. Call LE 9-7403.

FOR SALE—1964 Volkswagon, \$700.00. 11022 Hebard Pl., Garden Grove—JE 4-5936.

The BUTTONS & BOWS are sponsoring a beginner square dance class starting Oct. 5th, 1960 — for information phone LA 6-7497 or JA 7-8877.

BLONDE Dining Room Table and four chairs in good condition. \$40 or make offer. KE 3-3016.

National Health Federation invites the public to their regular meetings which are held each month on the third Monday, from 7:30 to 9:30 P.M., at 211 East Center Street, Anaheim. Ample parking is available in the rear of the building. Use back door and take the elevator upstairs.

Each month a featured speaker discusses subjects relating to Health and Nutrition.

NURSERY SCHOOL CONDUCTS MEMBERSHIP DRIVE

The Buena Park Parent Nursery School is conducting a membership drive for the fall school term. You may enroll your children, ages 2 years, 9 months to school age. These classes will be conducted by Mrs. Robert A. Poor. A varied curriculum will be offered including: easel painting, finger painting, playing with clay, pasting and cutting, singing, etc. An outdoor fenced yard is supplied with the use of playground equipment. Juice and crackers are daily routine.

This is a non-profit organization. A nominal monthly tuition covers the teachers salary and operational expenses.

Orientation meetings will be held for interested mothers. Information on these meetings may be obtained from Mrs. Don Blanchard (JA 7-4781) or Mrs. Bob Martin (JA 7-5842).

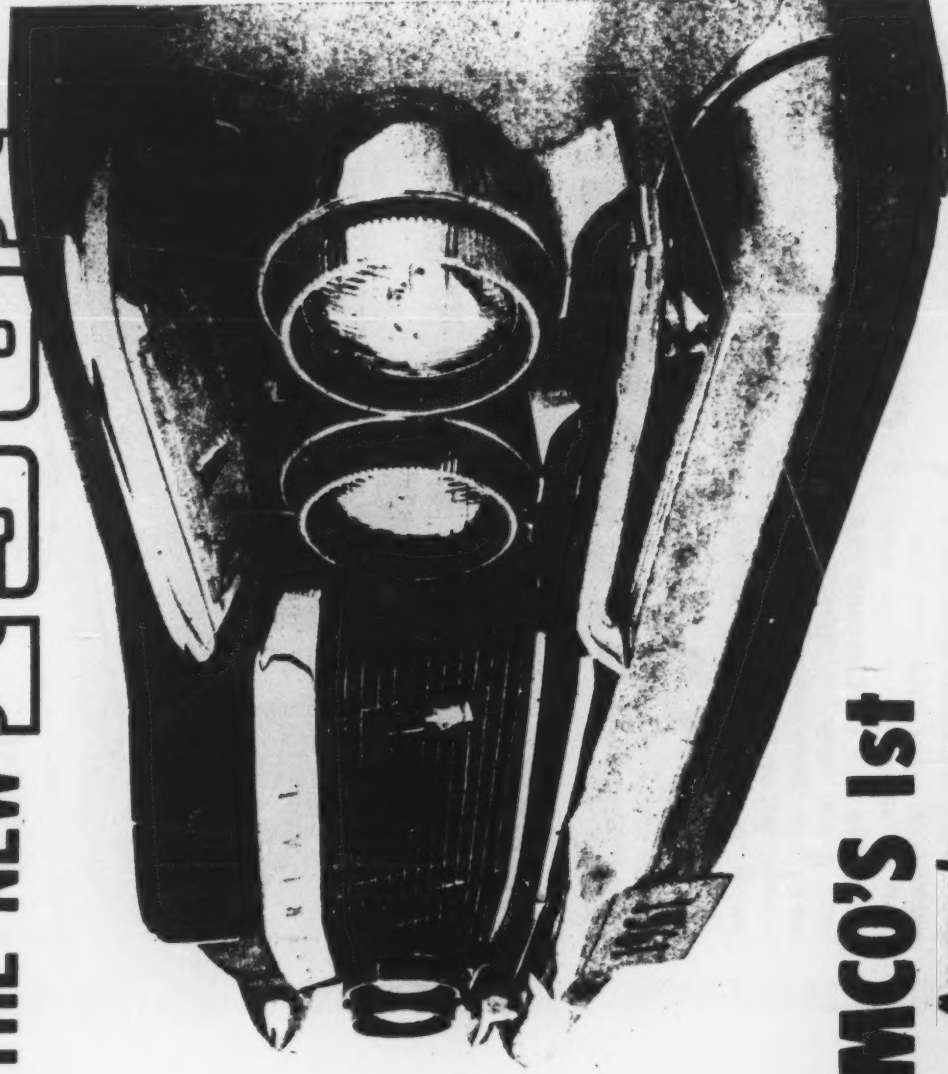
FOR RENT—Room and bath for employed lady. PR 4-9005 after 5:00 p.m.
FOR SALE—Heavy duty sewing machine. \$40.00. Call JA 7-6759. After 6:00 P.M.

51 FORD EC 6, 86ck, R&H. Good condition. Must sell before Sept. 10. \$275.00. After 6:00 P.M. JA 7-6759.

NEW CARS CAN NOW BE ORDERED AT GEMCO

1. PAY NO MORE FOR YOUR 1961 AUTOMOBILE THAN DEALERS ARE CHARGING FOR 1960 "CLOSE OUT" SPECIALS. CHECK OUR PRICES AND COMPARE!
2. ALONG WITH THIS SENSATIONALLY LOW PRICE, YOU'LL RECEIVE AN ABSOLUTE GUARANTEE OF COMPLETE AND ADEQUATE SERVICING!
3. WE WILL ACCEPT YOUR OLD CAR IN TRADE!

SEE **ALL**
BUY }
OF THE NEW **GEMCO'S**



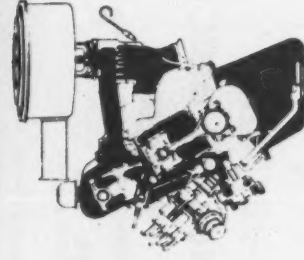
GEMCO'S 1st

Annual

AUTO SHOW

NOVEMBER 11th-12th-13th

HOURS: Friday and Saturday 10 A.M. to 10 P.M.
Sunday 10 A.M. to 6 P.M.



SEE
THEM
ALL!

FORD

LINCOLN

LINCOLN

CONTINENTAL

CORVETTE

THUNDERBIRD

FALCON

COMET

LANCER

BUICK

SPECIAL

TEMPEST

F-35

OLDSMOBILE

RAMBLER

CHEVROLETS

BUICK

PONTIAC

MERCURY

VALIANT

PLYMOUTH

LAZAR

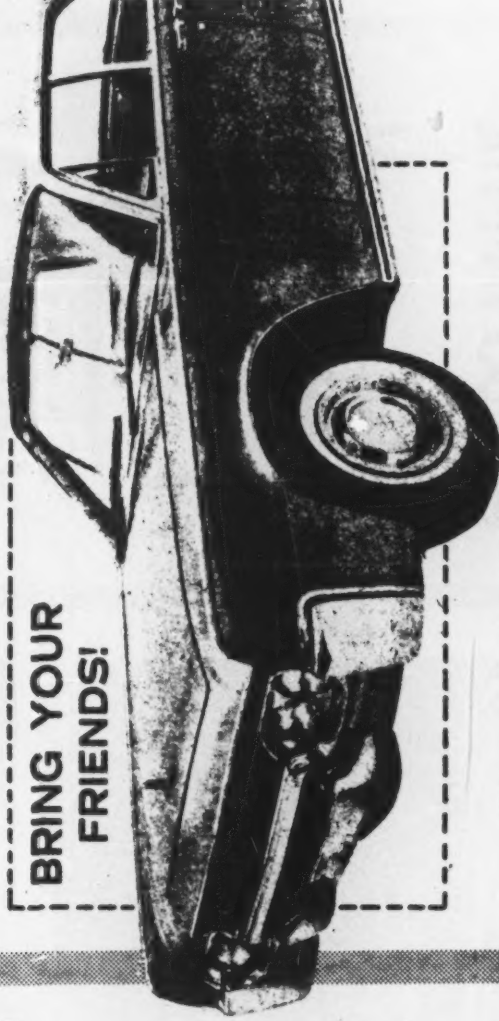
These and
many, many
others!!!

Note!

ALTHOUGH THIS IS PRIMARILY AN AUTO SHOW . . . WE'D
LIKE TO REMIND YOU THAT GEMCO IS OFFERING EACH AND
EVERY AUTO ON DISPLAY FOR SALE! These will be sold
during the show and all throughout 1961!

EVERYONE IS INVITED . . .

BRING YOUR
FRIENDS!



YES . . . SEE THEM ALL, AND HAVE THE
EXCLUSIVE ADVANTAGE OF SELECTING YOUR '61 AT

THE LOWEST
PRICES

ANYWHERE!

Seeing all the new 61's is exciting enough, but to be able to shop all the 61's for comparative prices and then, if you wish . . . SELECTING YOUR CAR FOR PURCHASING, is a complete revolution in auto merchandising! REMEMBER! You won't have to talk to anyone about prices . . . as all of the cars on display will display a card on their windshields similar to the one on the right! THIS WILL BE THE FIRST TIME THAT THIS HAS EVER BEEN DONE ANYWHERE! The prices that you'll see will be the one and only prices that Gemco will ever place on the automobiles. They will be the same: 1. If you have a trade-in or not. 2. If you wish to pay cash or take up to 36

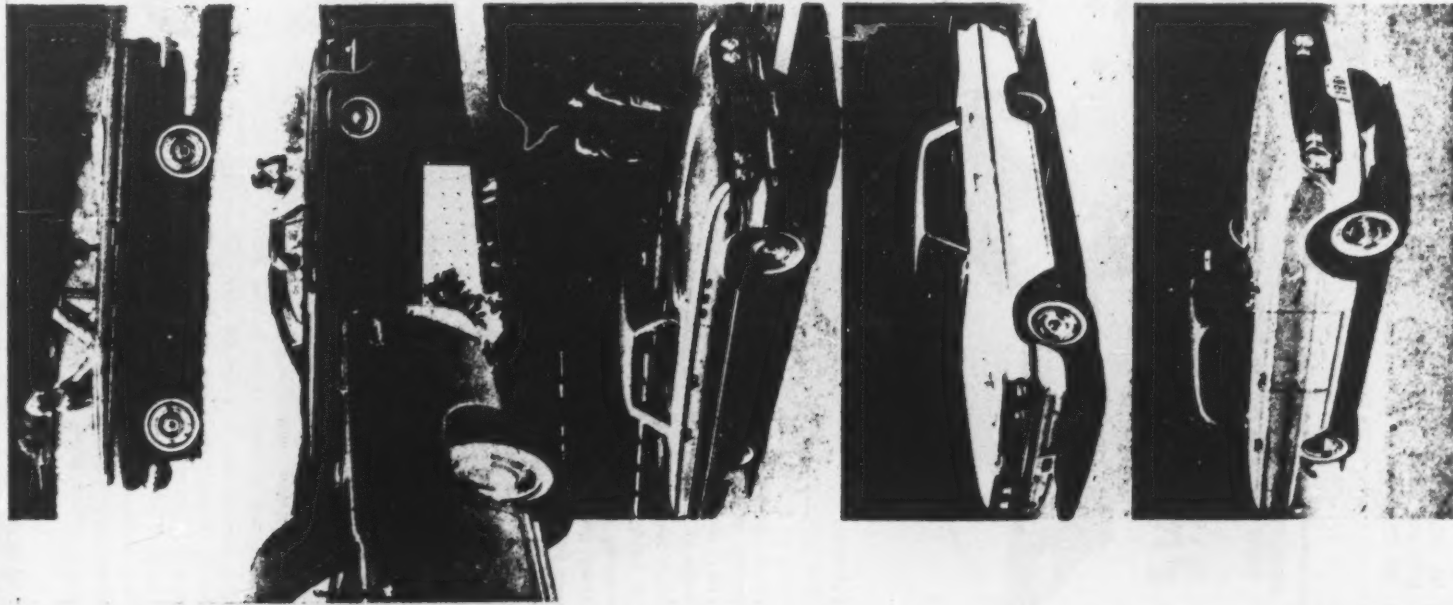
months to pay the balance. WE
COURTEOUSLY INVITE YOU TO
JOIN US AT GEMCO'S 1st ANNUAL
AUTO SHOW!

GEMCO AUTO SHOW

MANUFACTURER'S
LIST PRICE

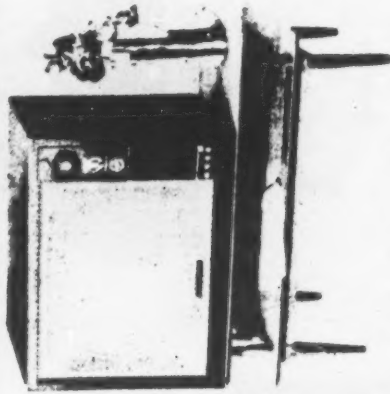
GEMCO'S LOW
MEMBER PRICE

COMPARE PRICES
THIS NEW . . .
EASY WAY!



**SEE THESE AND MANY,
MANY OTHERS . . .**

FREE! RCA COLOR TV!



625.00 VALUE

In appreciation of your attending this show, we are offering a 1961 RCA Color television set to some lucky Gemco Member! Plan to attend . . . it could be you! Although the public is invited to attend this show, only Gemco members will be eligible to win this wonderful prize. This brand new set will be complete with matching base and will include a factory service warranty. This is the "Alexandria" model of the nationally advertised RCA line of quality televisions. TO ENTER: Just fill in the attached coupon completely and drop it in the collection box in the area of the auto show. A drawing will be held at 4:00 P.M., Sunday, November 13th to determine the winner. It is not necessary that you be present to win. The winner will be notified and his name and address will be posted in the interior of the show. Gemco employees and families are not eligible.

BRING THIS COUPON . . .

GEMCO AUTO SHOW CONTEST

NAME

ADDRESS

CITY GEMCO CARD NO.

WHY 5 1/2%?

Many people have seemed incredulous when we quote Gemco's low rate on all new automobiles. If you have shopped carefully you'll note that our low rate of 5 1/2 % for a full 36 months of financing is exceptionally low. Why is this? One reason, and perhaps the most important one is, most of the people who have purchased new cars through Gemco have proven really dependable or "desirable" credit accounts. This in turn has made these Gemco accounts more attractive to our credit sources. In effect you might say, Gemco members have "earned" this low rate. And secondly, it goes without saying that . . . if we sell more cars, we can logically request a lower rate from these same sources. This is the case at Gemco. It is a fact that hundreds of Gemco members have given the nod of approval to our new method of merchandising automobiles by purchasing a very high number of autos through this department. We take pride in the fact that we never have to "sell" automobiles. We only quote prices! MAY WE HAVE THE PLEASURE OF INTRODUCING YOU TO THIS NEW AND REVOLUTIONARY METHOD OF SELECTING THE NEW CAR OF YOUR CHOICE?



5 1/2% FINANCING IS AVAILABLE

(for 36 months)

EVEN LOWER RATES ON SHORT TERM CONTRACTS

WE GUARANTEE COMPLETE SERVICING ON ALL NEW CARS PURCHASED AT GEMCO!

Trade-ins accepted on any new car.

GEMCO'S NEW CAR REPRESENTATIVES



BOB HUFF



BOB MASHING



JOHN MULLEN



RED BRYAN



BOB CHICO



BOB BELL

PLAN TO ATTEND GEMCO'S AUTO SHOW NOV. 11-12-13th

HOURS: Friday and Saturday 10 A.M. to 10 P.M.
Sunday 10 A.M. to 6 P.M.

"THE BILLBOARD" BUY . . . SELL . . . TRADE

DACHSHUND PUPPIES, standard, red, papers, A.K.C. — \$45. Phone Jackson 7-3675.

SHOTGUN 16-gauge pump (Ithaca Feather-lite; some shells, \$75. Ph. JA 7-2123). COFFEE TABLE and end tables Philippine mahogany. KE 5-2045.

OSTERIZER—Used four times. Receipt book included. \$10. TW 3-6342.

FRUGIDAIRE ELEC. RANGE for sale \$45. Tenor sax. \$100. Phone TA 8-6314.

CAMPERS ATTENTION — Travel-Queen Camper. Has everything. \$1000. Will include free 1/2-ton heavy truck in good condition. 11852 Nearing Dr. LE 9-4451.

HOUSE/TRAILER for sale. Westwood 27 ft. all metal, complete with gas range, electric refrigerator & furniture. Excellent cond. Only \$450. Mon.-Fri. after 6 p.m.; Sat.-Sun. anytime. Call PR 2-0497. 2351 Coronet Ave. West, Anaheim.

AMERICAN FLYER on 6 x 8 layout; many extras. For sale \$35. 30' Roll-away bed. \$10. LA 6-1712.

SMALL GIRL'S BIKE. 14". Good cond. but needs painting. \$7.50. Kenmore automatic electric heater, excel. condition. \$10. Call LA 2-4953.

WALLACE STERLING SERVICE for LAWN & yard maintenance. All power equipment. Free estimate. Call LA 1-0846. 12. Call before 3:30 p.m. LA 2-4961.

LOST Grey wallet, at Gemco. Nov. 6. Please return to Gemco desk.

LADY'S HAND-KNIT DRESS—Rose. Size 16; Blue, size 16. Like new. \$25 ea. Dress, new, size 8/8A. \$5 pair. JE 7-6005.

RELAXICISOR. Good condition. Phone JA 7-7078.

CITROEN '57 DS-19, beautiful condit., 32,000 mi.; also Norge auto, washer 1953. \$30. PR 4-0277.

BLONDE DINING ROOM table with 3 extensions & 4 chairs. Good condition. \$40.00 or make offer. KE 3-3016.

97 PC. FUKAGAWA DINNERWARE Imported "black rose" pattern. \$48 Underwood standard typewriter. \$40 Kenmore upright vacuum & bags. \$15.

GI LOAN BAL. \$10,980 on 1 bdrm. 2 1/2 bath home for sale. Call for more shopping hints. P.O. #chis. TW 3-9858.

GAS RANGE — Apartment size while Hardwick for sale. Cost \$25.00. Telephone JA 7-6001.

STOVE—\$25. Light yellow, clean. Phone JA 7-4759.

IMPALA Convert. 1960. Power brakes & steering. Other extras. Sacrifice. Priv. party. JE 4-2672.

BICYCLE BARGAINS—Two 26" boys' race bikes. One 24" boys' balloon tire with basket. Each \$18.50. 7861 Hopi Rd., Stanton. TW 3-8954.

CABIN CRUISER—20 ft., not quite finished, for sale. 35 h.p. new motor (Extrude), gas tank, controls, complete Trailer. Call Jackson 7-3011.

CHILD CARE—Under 2 yrs. 632 N. Geneva St., Anaheim. JA 7-9687.

1956 MOBIL HOME for sale. 35' long, 8' wide. Furnished. LE 5-3598 up to 11 a.m. and after 4 p.m.

G.I. RESALE 4 1/2% 3 bdrm. home, 2 1/2 baths, forced air heat, built-in kitchen, w. 10 w. cabinets, garages, fenced yard. Call Jackson 7-3055.

ELECTRIC AUTOETTE for sale. First class condition. Phone LA 5-3392.

GIFT WRAPPING & X-MAS DECORATIONS

12 OUNCE CAN

MAJIC SNOW 4 1/2 FOOT ALUMINUM X-MAS TREES
In White
Usualy .98

47¢

AT GEMCO

Imported Italian tree ornaments
Deluxe hand painted ornaments
Nativity Sets
Tinsel Christmas light and
Ornaments Gift Wrapping
Libbys
16' and 18' Wreaths in White,
Gold or Silver

Santa Claus Plaques
Under Tree Blankets
Sparkles Tree Mats
Musical Revolving Tree Stand

4.88

AT GEMCO

BUY YOUR '61 AT GEMCO!

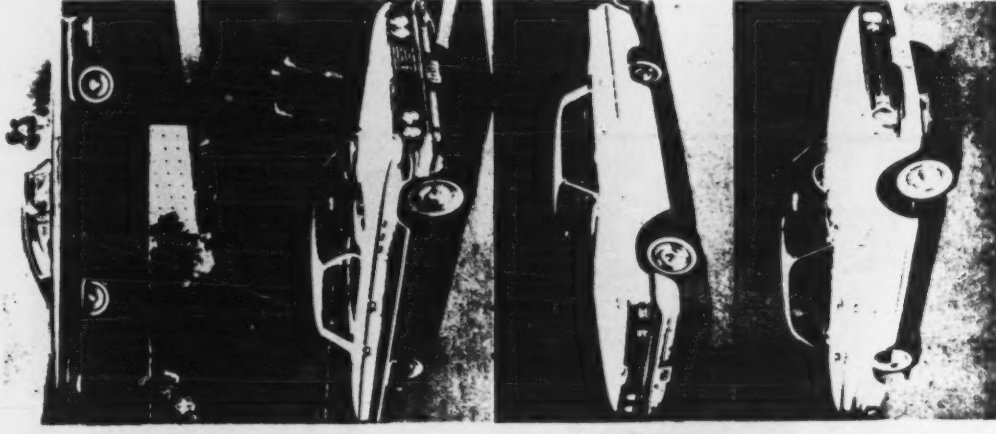
If you're thinking of a new car, you owe it to yourself to investigate our exceptionally low prices on any new car you wish to purchase. We can deliver the car of your choice at the store at savings of hundreds of dollars. Unbelievable? Why don't you call or drop in and let our courteous new car representative introduce you to this new method of merchandising automobiles.

**5 1/2%
FINANCING
AVAILABLE
(36 MONTHS)
20% DOWN**

**GUARANTEED
AFTER-SALE
SERVICE**

**ONE SHORT PHONE CALL
TO PE-3-3666 GETS YOU:**
1. The exact cost of the car you wish to purchase.
2. A very close estimate of what we will give you for your old car.
3. Your monthly payments.

REMEMBER: Your total insurance coverage may be increased by monthly payments if you wish.



ANNIVERSARY SPECIALS FOR "Little Mothers" Too!!



COTTON KNIT PANTIES

Usually 29¢
With elastic waist and leg band and leg band for nursing or ideal for training or for your bigger girl.
5 pairs for 99¢
Anniversary Price

BIRDSEYE DIAPERS

27 by 27 squares.
Unit 4 to a customer
Usually 2.96
1.58
AT GEMCO

YOUR CHOICE . . .
Usually 2.96
PLASTIC DIAPER PAIL 2.83
OR PLASTIC BATH TUB
AT GEMCO
Available in blue, pink, yellow, aqua, etc.

PLASTIC PANTS

Usually 29¢
12¢
AT GEMCO
Durable in choice of pastel colors. Put on Type. Unit 4 to a customer. Sizes 2-6-10-12.

BOY'S KNIT BRIEFS 28¢
Usually 29¢
AT GEMCO
In sizes 2 to 6.

Famous Nursery Trim PINKIES and TIDDEE UPS

In Mother Goose Rhymes, Country motifs and numerous other patterns.
TIDDEE UPS
Usually 2.96
1.73
1.97

INFANSEAT

Ideal for sleeping or lay- ing your child down. No need for cradle. Adjustable in various positions.
Usually Advertised at 6.98
5.97
AT GEMCO

ANNIVERSARY SHOE VALUES...

MEN'S WELLINGTON BOOTS

13.95 Elsewhere

6.84
AT GEMCO



In brown only. Leather lined tops. Leather soles. Sizes 8 1/2 to 12.
LIMITED QUANTITY

SHU GLOVES

Delightful . . . Sprightly!
Compare this price! Available in black, white or bone. Sizes 4 to 10.
2.12
Usually 2.49



6" WORK SHOES

Usually 12.95
AT GEMCO
8 styles of 6" top bonded work shoes. Not all sizes in every style, but sizes to fit everyone. Cope with almost any job. Good composition soles. All top grade values.
Limited quantity



8" LACE WORK and HUNTING BOOTS

7 different styles of 8" lace boots. Just in time for hunting and the wet weather coming up.
Usually 16.95
9.44
AT GEMCO
Limited Quantity



the 1961 NEW CARS ARE NOW BEING DELIVERED!

1961

CHEVROLETS FORDS
VOLKSWAGENS PLYMOUTHS

VALLANTS FALCONS

DODGES RAMBLERS

DE SOTOS LINCOLN

CHRYSLERS CORVAIRS MG

AUSTIN-HEALEYS PEUGEOTS

SUNBEAMS TR-J METROS

TALUS RENAULTS

SH/CAS FIATS HILLMANS

And all Other Domestic and Imported Cars



1. FAST DELIVERY
2. GUARANTEED SERVICE
3. WE WILL TAKE TRADE-INS
4. 5 1/2% FINANCING
(36 months . . . lower rates on short term contracts)
5. MUCH LOWER PRICES!!

AND PAY 1960 CLOSE-OUT PRICES

Don't forget to Stop in the New Car Department to Check the Numbers of the Winners of the Late Model Cars that of the Store!!

EXCLUSIVE NEW STEAM IRONS "Select-a-Steam"



DUAL CONTROL IRON

Press every fabric perfectly regardless of weight, thickness or color. No more spraying. Enable wet dry iron, too!



UNIVERSAL

NEW "Flair-Flu" Flavor Selector is under heading for new convenience. Beautiful modern design in chrome ever solid copper.
10 cup



ALL UNIVERSAL PRODUCTS ARE SOLD AT USUAL LOW PRICES!

DELUXE AUTOMATIC CAN OPENER

Completely automatic. Operates on any can, like lid, turns any lid off. No need to twist or pull.

FREE!

1 pound of a popular make of ground coffee will be given with the purchase of any Universal product. Offer good while supplies last. See the free literature demonstration of the Universal products.

OCTOBER 14th, 15th and 16th

SPORTING GOODS SPECIALS



SPALDING BASEBALL GLOVE

New 6-finger model
for right or left hand
players.
Usually 10.75
3.99
AT GEMCO

MacGREGOR
"Mike Souchak"

GOLF BALLS

Enjoy the sharp click of
a quality ball at a fraction
of the cost!

4.99
A DOZEN

Complete CAMPING OUTFIT

Consists of:

- 1—12 by 9 Side Room Premium construction chrome green Poplin Tent, (Complete with poles and stakes.)
- 4—3 LB. DACRON SLEEPING BAGS. Two may be zipped together to form a double.
- 4—Rubberized Canvas Air mattresses.
- 1—Large 2-burner Coleman stove No. 413E.
- 1—DOUBLE MANTLE COLEMAN LANTERN No. 220E.

WHAT A CHRISTMAS
GIFT FOR THE WHOLE
FAMILY! LAY-AWAY
NOW...OR BUY ON
CONVENIENT BUDGET
TERMS.

149.75 ELSEWHERE
129.75
AT GEMCO
14.95 DOWN

KROYDON "Tommy Self" Signature GOLF CLUBS

Genuine True-Temper iron-ker shafts. 8 matched irons (2 to 9 inclusive), a matched Woods (1-2-3).

Usually 79.95
49.95
AT GEMCO
2.4 sets only

14-CLUB COMPARTMENT

GOLF BAG

Reinforced metal ring around top. Heavy duty vinyl material. Large "True-Temper" pocket. Comes complete with head.

Usually 14.95
8.99
AT GEMCO

BROOKS GOLF SHOES

Sizes A to 12. Brown, Black, Red and White. Brown and White. Red and White. Rubber sole. All sizes in every color. Better than any other shoe for \$75.00.

Usually 18.95 **6.99** A PAIR

"FISHERMAN'S SPECIAL"

During this event we will supply you with enough top grade monofilament line to fill one spool of any reel you purchase. Also, we'll give you your choice of 15 lb., 20 lb., or 25 lb. Wt.

GEMCO IS NOW DELIVERING ALL MAKES OF 1961 AUTOMOBILES...

Pictured above is Mrs. Rita Patterson receiving the keys to her New 1961 Ford Falcon on Sept. 21st from Mr. John Mullen, Manager of the New Car Dept. Mrs. Patterson lives at 2317 E. Sycamore Ave., Anaheim and works at Furtado's Beauty Salon in the city of Orange. This was the first 1961 auto delivered to a Gemco member.

3 LB. DACRON SLEEPING BAGS

Full zipper, double air mattress pads. Two may be zipped together to form a double. Weather resistant with padded weather strip. Limited Quantity!

Usually 19.95
11.99
AT GEMCO

BURNSWICK SEALAND

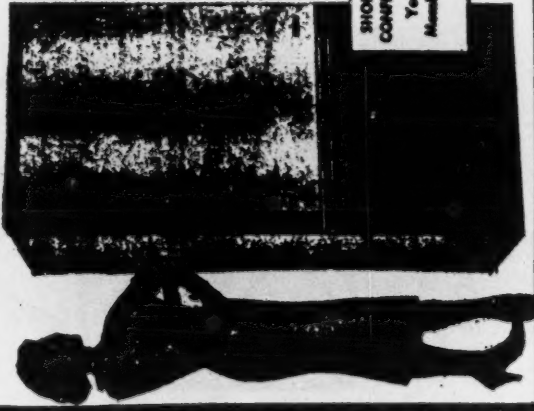
BOWLING SHOES

In comfortable ladies or men's AT GEMCO models.

4.50
PAIR

THE NEW AMANA FREEZER PLUS REFRIGERATOR

2-in-1 Appliances are only 32" wide. Advanced style-line design... the built-in look! Exclusive freezing compartment freezes up to 2½ times faster. Refrigerator has convenient glide-out shelves. See this new advance in refrigeration design at Gemco... today!



Delivery is included at our low price. You may purchase on convenient budget terms and pay no balance in 24 months.

Always
Sold at
our Usual
Low
Gemco
Prices...

SHOP WITH COMPLETE
CONFIDENCE AT GEMCO!
Your locally-owned
Membership Department
Store

Fly To Glamorous Hawaii



VIA STANDARD AIRWAYS

Famous Flak Cloud Service! This is the same airway that will transport the winning entrants in Gemco's "Free Trip to Hawaii Contest."

79.10

One way on a round-trip ticket

99.00 One Way with Deluxe Accommodations

9-DAY TOUR

Reserved seats with choice of hot meals served aloft. You'll receive a traditional lei greeting at the airport in Hawaii! Limousine service to and from hotel. Complete hotel accommodations. A delightful breakfast at Woody's Gemco Inn. A 110-mile scenic completely around the island of Oahu. Bring your camera for the famous Kodak Hole show.

ONLY

259.70



5-DAY TOUR

Economy tour. Includes room, air fare, limousine service, lei greeting, etc.

186.20

OR Phone or Write to
STANDARD AIRWAYS
Lockheed Air Terminal, Burbank
TR 7-9654

PIANO—Small upright "Davis & Sons, New York" make. Excellent condition. \$175.00. Lambert 5-5871.

LAWN SERVICE — Mowing, edging, cleaning-up. Gardening. Light hauling. Garages cleaned. Ph. KEYSTONE 5-2069.

EXERCYCLE — Heavy duty. \$130.00. Round dining room table. 48". Formica top, drop leaf & extension, maple legs. Practically new. \$40.00. LA 5-5871.

COCKTAIL TABLE black with light tan Nevamar top, 2 magazine shelves. Any reasonable offer or stamp books in trade. TW 3-9868.

GI LOAN Balance \$10,950; our equity \$4,250 in Westminster 3 bdrm. 2 bath home. 13632 Olympus Dr. TW 3-9868.

ROLLAWAY BED with mattress ¾ bed size. \$18 or trade. TW 3-9868.

CHARCOAL — Palette shaped cocktail table, corner tier and magazine lamp chairside tables. Nevamar tops. Cash or trade stamp books. TW 3-9868.

DRUM TABLE, hand-tooled leather top mahogany - 30" dia. Cost \$65. Xclt. cond. Sell for \$20. TW 3-9868.

MOUNTAIN LOT for sale. Scenic Dr. Crestline, Calif. \$1200. Good terms or trade for lot or other property in Anaheim. Will assume some difference. Call KE 5-6367.

WURLITZER PIANO, full keyboard — 1956 Mercury Montclair conv., new top, tires & uphol. Call KI 5-4167.

TRAIN—4' x 8' complete layout includes 2 trains & transformers, scenery control, block system. Sacrifice. LE 9-0931. 1959 VW. Radio, heater. Excel. condit. One owner. \$1495 rock bottom. Phone Taylor 8-4208.

1959 GO-KART, twin power products engines, safety belt and racing slicks. \$125.00. Call KE 5-1502 or see at 2627 E. La Palma, Anaheim.

EASY BAR trailer hitch. Best offer. Sold new \$150.00. Ph. KE 5-1502.

PACKARD BELL 24" Table model with maple cabinet. Call JA 7-7474.

WILL TRADE — 15' house trailer for camper for 1959 short wide bed pickup. Phone KE 3-1036.

FREE DIRT, Bird cage, 75c. 2670 Serrano Pl., Anaheim. TA 8-2100.

1956 WHIRLPOOL Auto. Washer for sale, \$45. Good cond. Call PR 4-3074 or 1775 Crone Ave., Anaheim.

ACCORDION—Castle 120-bass for sale. Real nice - with case. \$100. White baby crib & mattress. \$10. Stroller also. — Make offer. JA 7-7915.

BOODLE BUGGY—Makes car bed. \$15. Welch playmate, \$4.50. O'Keefe and Merritt stove, \$95. Lawrence 1-2691.

GIRL'S BIKE 20" for sale. Good condit. \$25.00. 951 N. Alamo St., Anaheim. Ph. KE 5-4681.

1958 MOBILE HOME for sale. 10' wide. 45' long. bedrm. & den. carpeted. On beautiful lot, in modern park. Phone Taylor 8-6354.

MONEY—I want to buy any old coins. Call PR 4-9526.

BUYING AN ACCORDION? Look this one over *first!* Italian black 120-bass. Real good buy. Phone Anaheim TA 8-2459.

PICKUP RACK for Chevrolet or Ford. Welded heavy pipe - \$25.00. Baby buggy makes a car bed, good cond. \$10. Call LA 2-6238.

RIFLE—30. 06 Army Springfield, good cond. \$39.50. Call 4:30 to 8:30 p.m. only. LA 2-5692.

FOR RENT—Large Arrowhead apartment. Room for 3. Reasonable. LA 1-2517. ELECTR. HAND SAW Black & Decker 9-inch blade for \$75. Cost \$149.50. Ph. evenings PR 2-8045.

HIGH CHAIR \$3. Training chair \$1. Car seat \$3. Bunk ladder 75c. Blow torch \$8.75. 26-leaf Starrett Thickness gage \$4. — Phone PR 2-1549.

THOR "automagic" GLADIRONER for sale. Used very little. Like new. \$15.00. Jackson 7-1909.

GOLDEN BAMBOO—Beautiful in tubs and planters, or use a screen plantings. 8 feet high. Price \$4.00 per can. Phone Prospect 4-4349.

AUSTIN-HEALEY 100 — 1954. Clean roadster with overdrive and heater. A black bomb with wire wheels. \$950. Phone Prospect 4-4349.

Be sure and submit your ad for next months issue.

PUBLIC INVITED — Sixth National Health Convention, Dec. 31st, 1960, January 1 & 2, Embassy Auditorium, Grand and 9th St., Los Angeles, 9 a.m. daily. Round-table discussions, motion pictures on chemotherapy, polio, nutrition, organic gardening, natural child birth, etc.

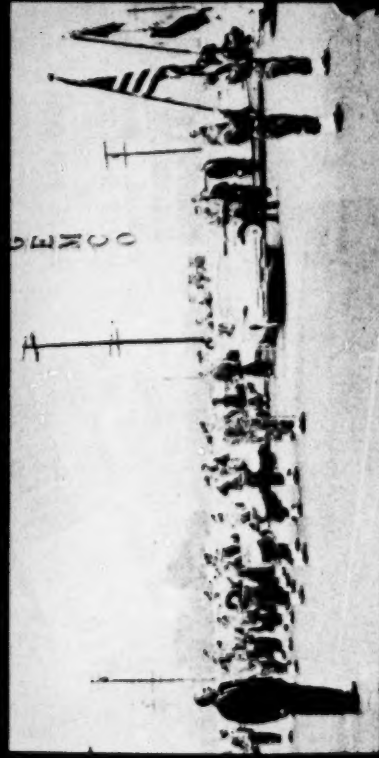


Choose The One That Suits You Best ...

ALL NEW
1961's
ALL MAKES-
ALL MODELS

How much will you save?
We'll show you actual costs so you can see how many hundreds of dollars you're really saving. Our 5 1/2 % financing will assure you the lowest possible payments! Shop... compare and save with Gemco's low, low prices!

YOUR TRADE IN
WILL BE ACCEPTED
ALL NEW CARS ARE BACKED UP
BY FACTORY GUARANTEES AND
SERVICE.



UNITED FUND RECEIVED CHECK IN DECEMBER

Mr. R. B. Powell, a member of the Anaheim United Fund Committee, smilingly accepts checks from Mrs. Alice Kentner, representing the employees of Gemco, and Mr. Pat Arnold, Chairman of Gemco's Charitable and Scholarship Advisory Board. Looking on approvingly is Mr. Frank Grand, General Manager of Gemco

FIREWORKS TO BUGLES...

Boy Scout Troop 72's Drum and Bugle Corps was made possible by your generous patronage of the Troop's Fireworks stand on the Gemco Parking lot last July. Manager Bob Fitch said that the Troop realized \$1800.00 profit from the operation of the stand. Out of this money, the Troop purchased 18 bugles, 1 Bell Line, 11 Tents and 7 Ice Chests. The boys are really improving on their instruments and we hope to have occasion to hear them play again.

Say!
Decorators
ELECTRIC WATERFALLS

Exotic WATERFALLS

YOU'VE SEEN THEM
IN THE NEWS-
PAPERS, MAGAZINES
& ON TV... NOW
EVERYONE CAN
AFFORD THEM



ARE THE NEWEST, MOST EXCITING
PATIO ACCESSORY TO BE PUT ON
THE MARKET IN YEARS!
AS USUAL, CAL IS THE
LEADER IN SECTION.
QUALITY & LOW PRICES!

RELAXING, BEAUTIFUL ATMOSPHERE
FOR LANA, GARDEN, OR POOLSIDE.



STRIKING DECOR FOR OFFICES,
BANKS, HOSPITALS, AND Foyers.



BESTFUL AND DRAMATIC ACCENT
FOR THE ENTRANCE TO YOUR HOME.



Model Shown... 18"-24"-30"-36" Bowl Diameter
Best Proof Fiberglass

YOUR
CHOICE OF COLORS
IN 3 or 4 BOWL
UNITS

NEW! 100% 100%

★ Shells
★ Glass Balls
★ Artificial
★ Flowers
★ AVAILABLE AT
Cal's Gift Shop...

Compare
OUR LOW
PRICE!

CREDIT OF COURSE

Do Nothing 'till You Hear from CAL!
IN THE APRIL 1st ISSUE, CAL WILL INTRODUCE THE MOST EXCITING LINE
OF PATIO FURNITURE IN YEARS!

Compare! Save!
BUY YOUR - 1960 CAR AT CAL!

Your choice of equipment AS YOU WANT IT!
Custom select your interior and exterior... CHOICE OF COLOR from
our Color Chart... American made cars and most Foreign
imports... Low financing... Trade-ins accepted... ★ CREDIT ★ SERVICE ★ SAVINGS

ANY MAKE ANY
MODEL YOU WANT

Service
Available
at Your
Closest Dealer



**FACTORY
GUARANTEE
AND
WARRANTY**

INSURANCE DEPT.
A complete insurance service at your
CALSTORE... Automobile, Home, Life,
Health and Accident, and Casualty...
Major Insurance Companies represented...
Claims handled immediately.



Edm. C. Ingalls-110181

QUALITY

YOU CAN TASTE AND TRUST!

FRANCE...Bordeaux 79¢ DENMARK...Fruit Wines 169¢
 SPAIN... Red & White 99¢ CHILE... Dinner Wines 99¢
 GERMANY...Liebfraumilch 89¢ ISRAEL... Concord Grape 169¢
 PORTUGAL... Rose 124¢ JAPAN... Sake 48¢
 ITALY... Chianti 79¢ UNITED STATES... Dinner Wines 49¢



USE CAL'S
 CREDIT PLAN
 BUY NOW...
 PAY LATER!

Would You Like A Cocktail
 Before Dinner Tonight?
 SHORT! SIMPLE! ALL YOU NEED
 IS ICE GLASSES AND CAL'S
 READY-MIXED COCKTAILS
 DRY MARTINI 2 69¢
 MANHATTAN 2 69¢
 Cheri... 19¢ Other... 19¢

C. J. EDWARDS
 SOUR MASH...CHARCOAL FILTERED
 FAMOUS
 KENTUCKY WHISKEY
 SINCE 1879
 90 PROOF
 C. J. Edwards is A Fine
 Kentucky Straight Bourbon
 Whiskey distilled the old-
 fashioned way from choicest
 grain. It is aged in char-
 coal filtered deep well water
 stored in new oak barrels
 oak barrels and allowed to
 age until matured.

3 96 4 78 9 49
 5th Qt. 1/2 Gal.



Compare!
 Save!



ANY MAKE ANY
 MODEL YOU WANT

AT CAL'S

New Car Dept...

Pick up your new car at CAL... Your choice of equipment
 as you want it... Custom select your interior and exterior...
 CHOICE OF COLOR from our Color Chart... American made
 cars Trade-ins accepted... Low Financing...

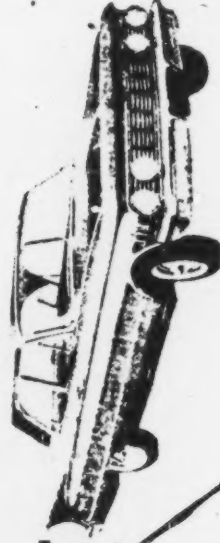
Factory Guarantee And Warranty

SERVICE AVAILABLE AT YOUR
 NEAREST DEALER!

NEW 1961 CARS - Year End Prices

You've Never Had It So Good . . .

FORD • RAMBLER
SIMCA • RENAULT
DODGE • VW
FEST TEMPEST • PLYMOUTH
DE SOTO • LINCOLN
CHRYSLER • CHEVROLET
FALCON • CORVAIR
VALIANT • ANY CAR
YOU WANT!



Brand New
1961 Comet

Make your own choice of all the new models soon to be on the market and then come to your CMA to see for yourself that honesty is STILL in the automobile business. What's more, we'll take your old car in trade!

Low Financing ★ Factory Warrantee ★ Delivered Here!



Complete Camera Dept.

BEADED SCREENS
"Daylight Flyers" Brand
SIZE REG. CMA
30x40 14.95 8.88
40x40 16.95 10.88
50x50 21.95 12.88

35mm Slide Magazine
Holds 2x2 slides
Reg. Val. 2.25 CMA 1.49

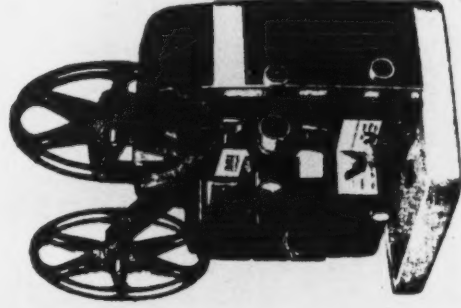
35mm Slide Trays
Universal
Reg. Val. 49c CMA 39c

35mm VIEWER
2x2 slide viewer
(less batteries)
Reg. Val. 7.95 CMA 3.99

VISTAR
35mm VIEWER
Less Batteries
Reg. Val. 9.95 CMA 6.99

Elevated Tripod
complete with case
17.95 Standard
CMA 10.39
22.95 Heavy Duty.
CMA 13.95

Electric 8mm Editor
Mansfield viewer editor
Reg. Val. 34.50 CMA 16.98



MODEL 363

New 8MM Projector

MADE BY FAMOUS BELL & HOWELL

Brightest Bmm movie projector. Automatic threading, cord reel.

104⁹⁵

Kodak 8mm Movie Kit
complete with projector, Brownie camera, reel and con.
Reg. Val. 78.25 CMA 59.69

Kodak 8mm Projector
complete with case
Reg. Val. 59.95 CMA 36.88

Kodak Movie Kit
movie camera with 2-lit bar and bulbs
Reg. Val. 39.95 CMA 29.99

Amplex No. 5 Flash Bulbs
12-bulb pack
Reg. Val. 80 CMA 98c

4-Lite Bar
With Case
Smith-Victor, metal case and bulbs
Reg. Val. 19.95 CMA 9.88

Anso Film Pak
Black and White
120 - 127 - 620
Reg. Val. 1.39 CMA 79c

Sunset Gadget Bag
fits all cameras
4.95
Small CMA 2.47
Large CMA 3.47

One day finishing of your color or black-white

1961 New Car Report

(Continued from Page 7)

Fords and Mercurys will do away with the slumping front end design and go back to the more buoyant look of the late '50s. Mercury is going to add a six-cylinder engine mated and do away with their Park Lane.

Thunderbird is finally going to do away with the drag-leg front wind-shield and round off their design somewhat. Front and rear Lincoln Continental will adopt the pre-war look of a short, boxy appearance.

Chrysler and Imperial, vying for the "carriage trade," they deserve, will be even longer and more luxurious than ever.

Cadillac will be a little shorter in '61 so as not to drag on so many driveways.

Of interest at this time is the news that the U. S. compacts have made on the imported car field of course the imports are cutting off their own water by offering so many makes and styles that customers get dizzy. CMA expects these small foreign sedans to gradually lose popularity in the race with the U. S. cars and themselves.

A notable exception to the rule will be and has been the venerable Volkswagen. CMA members can expect to see long lines still waiting for VW's at the dealers . . . and can save considerable time, and sums of money by purchasing their VW's through CMA's New Car Dept. Here on this amazing fact at a later date. Suffice it to say that if you are in the market for a New Volkswagen, it is the Boulder VW or a Chrysler or Cadillac, members can get their New Car through CMA. In fact, it is on very low and sensible prices for all CMA and get the best service, warranties, naturally.

When you come into your new CMA, and see the daring intricacy of it all, new cars will be lined up for you. The brilliant new Dodge, the new Ford, the new Men's and Women's apparel, toys and many more, you begin to get the story that this is no haphazard effect. It is a well planned merchandising business that has put the MEMBER, its customer in the spotlight. Never before has the customer been offered so much for so little under one roof!

The management of the New Car Dept. with that of CMA knows full well that if you, the members are not pleased, that our business cannot succeed. That is why we "bend over backwards," so to speak, in order that members may have an exciting place to shop, with everything possible offered.

You must save . . . or else! Since savings are the order of the day, let us call attention to our New Car Dept and inform you that nowhere in Southern California will you be able to honor so much and get such a honest trade on a brand new 1961 car as is possible for members of CMA. Year-End prices will prevail ALL year. A year CMA and we urge you to get in line for your new car. We go to the other dealers and get their story straight. We pay their money and we pay their cost. Don't forget to come back to your CMA folks, because the price and the SAVINGS are all in your favor. Courtesy of CMA!

AUTOMOBILE GOSSIP



Report from Germany states that a vehicle called the Amphicar, described as 85% automobile and 15% boat will appear on the American market in the very near future. What next, flying automobiles . . . ?

Ford Motor Company has already outbuilt the "big Ford" with the Falcon, and Valiant is now slightly ahead on production over its brother Plymouth . . . compact cars seem to be exactly what the automobile conscious American public wanted!

COMPACT SPECIFICATIONS: Here's how they compare . . .

	Wheelbase	Length	Enginepower	Weight	Factory Suggested List Price F.O.B.	2-Door Sedan	4-Door Sedan
Comet	114	194.9	90	2,412	\$1,998	\$2,053	
Falcon	109.5	181.2	90	2,288	1,912	1,974	
Corvair	108	180	80	2,375	1,984	2,038	
Lark 6	108.5	175	90	2,605	1,976	2,046	
Rambler American Deluxe	100	178.3	90	2,469	1,795	1,844	
Rambler 6 Deluxe	108	189.5	127	2,948	—	2,098	
Valiant V-100	106.5	183.7	101	2,635	—	2,053	
					2-Door Wagon	4-Door Wagon	
Comet	109.5	191.8	90	2,661	\$2,310	\$2,364	
Falcon	109.5	189	90	2,633	2,225	2,287	
Lark 6	113	184.5	90	2,805	2,366	2,441	
Rambler American Deluxe	100	178.3	90	2,490	2,020	—	
Rambler 6 Deluxe	108	189.5	127	3,055	—	2,477	
Valiant V-100	106.5	183.7	101	2,881	—	2,365	

The prices listed above are LIST prices for factory delivery. FREIGHT IS ADDITIONAL. We have co-operating dealers who handle the above mentioned compact cars at a SAVINGS. Be sure to obtain a referral at any of the FEDCO stores so that you or your guest may take advantage of the savings available. Remember that you may trade-in your present car if you so choose . . . the discount is not affected by whether or not you trade-in a car. In order to purchase a car it is necessary for you or your guest to apply in person for the referral, as we are not able to process mail or telephone requests. Factory delivery is available at additional savings.

THE FOLLOWING MAKES OF CARS ARE AVAILABLE ON REFERRAL TO OUR APPROVED DEALERS:

COMPACT CARS				OTHER DOMESTIC CARS				IMPORTED CARS			
AMERICAN				BUICK	IMPERIAL	BMW ISETTA		BMW ISETTA	PRINZ		
COMET				CHEVROLET	LINCOLN	BORGWARD		BORGWARD	RENAULT		
CORVAIR				CHRYSLER	MERCURY	DAIMLER		DAIMLER	SIMCA		
FALCON				CONTINENTAL	OLDSMOBILE	ENGLISH FORD		ENGLISH FORD	SINGER		
LARK				CORVETTE	PLYMOUTH	HILLMAN		HILLMAN	SUNBEAM ALPINE		
RAMBLER				DART	PONTIAC	HUMBER		HUMBER	TOYOPET		
VALIANT				DE SOTO	RAMBLER	METROPOLITAN		METROPOLITAN	TRIUMPH		
				DOODGE	STUDEBAKER	OPEL		OPEL	VAUXHALL		
				FORD	THUNDERBIRD	PEUGEOT		PEUGEOT	VOLVO		

(ALSO LATE MODEL USED CARS)

Attachment 46

AUTO VERSUS TRAIN

By
Supervising Inspector
RUSSELL E. FUSON
California Highway Patrol



One of the most tragic accidents encountered by Officers of this Department are those in which a motor vehicle is struck by a train. In most instances, the results are fatal to the occupants of the vehicle and on occasion, results in derailment of the train if the accident involves a large bus or truck.


During the first three months of this year, forty persons were killed in California in this type of collision. Most of these occurred at wig-wag controlled crossings and would have been avoided if the drivers had obeyed the provisions of the Vehicle Code relating to this type of crossing. Basically, the law provides that whenever a signal device is operating at a crossing, the motorist must stop within 50 feet but no closer than 10 feet to the crossing. The driver may then proceed if he can do so safely. Unfortunately, many drivers ignore the signals altogether and attempt to speed across the intersection ahead of the oncoming train. The loser in this race is inevitably killed or injured and in winning, can only hope for a few minutes of time saved in reaching his destination. This, at best, is very poor odds. Obedience to the law and good judgment would seem to pay off in large dividends and all motorists are urged to follow these simple rules and thereby effect a reduction in railroad crossing accidents.

• • • • •
Today I WILL Drive Safely



FEDCO REPORTER • JULY, 1960

ORANGE 8-4782
EASTVIEW 8-2188



LEONARDS
A FULL SERVICE
AUTOMOBILE DEALER

AAA AUTO SALES

STEVIE MARKOSKI
600 N. SEPULVEDA BLVD.
PACIFIC PALISADES, CALIF.
800-478-2188

NEW CAR DEPT.

LEONARDS
600 N. Sepulveda Blvd.
Pacific Palisades, Calif.
800-478-2188

NEW CAR DEPARTMENT

Call For Appointments
800-478-2188

International • Airport Village • Crossway • Improved • Plus • Westwood



600 N. Sepulveda Blvd.
Pacific Palisades, Calif.
800-478-2188

MAIN STORE
International

Dear Sir:

The ability to buy New Cars, all Makes and Models, at huge discounts just over Factory Invoice is yours through Leonards New Car Department, 600 N. Sepulveda Blvd., El Segundo. I am very happy to announce that I am now with the Automobile Department at this leading Discount Firm.

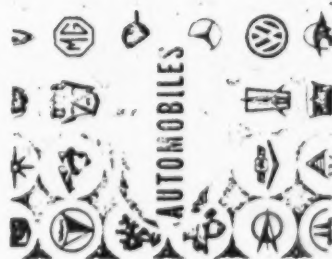
Our Policy is:

1. Honest "One Price" Dealing
2. Your choice make, model and equipment
3. Lowest Bank Interest Rates
4. Full Factory Warranty
5. Low Insurance Rates
6. Trades O.K.
7. Local or Eastern Delivery
8. Complete Dealers Service
9. Over 2,000 Cars for Immediate Delivery

Know exactly what you want and what you would pay anywhere else, then see me for a pleasant money saving purchase.

Sincerely yours,

Steve



DIAMOND 7-0202



J. M. ARNOFF
NEW CAR DEPARTMENT
9341 CANOGA AVENUE
CANOGA PARK, CALIFORNIA

ROBERT HUFF
SALES REPRESENTATIVE



ENJOY THE BENEFITS OF GROUP PURCHASING!

• SINGLE PURCHASES WELCOME •
SIMPLY PHONE IN YOUR SELECTION
Call Administrator 2-0226

FLEET SALES COMPANY
GROUP PURCHASING SERVICE — LOS ANGELES

All Makes • Cash or Terms • Trade-ins O.K.

First Sales

NO HAGGLING OR TRICKY GIMMICKS

Our new, dependable "Controlled Price" method of buying ANY NEW CAR is available to your friends without obligation.

Because we contract for all new cars in large quantities, we are able to arrange prices as close to wholesale as is possible at any time.

ALL INQUIRIES INVITED!

VIRGIL DUNN and JIM FAHY

[fol. 1879] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AP

DEALERS DIVERSIFIED SERVICES, INC.
Advertising Consultants
3912 West Slauson Avenue
Los Angeles 43, California
AXminster 9-0796

Instructions

Please have the letter below copied on your Dealership's letterhead (an original and three copies), and have it signed by the Owner or an Officer of your company, and submit it to this office immediately. If you handle more than one make of car, please include amount of gross profit on each make of car. If the gross profit is on a sliding scale, with more profit on some models than on others, please so state.

(Date)

Dealers Diversified Services, Inc.
Advertising Consultants
3912 West Slauson Avenue
Los Angeles 43, California

To Whom It May Concern:

We hereby agree to sell our 1961 (make of car) at \$—— over actual invoice. We guarantee that a customer referred by you will in no case be charged more than the above price. If a raise in gross profit becomes necessary, we shall so advise your office in writing.

All accessories and options will be sold at invoice, and extra services at time of delivery at our cost. Our price includes all pre-delivery service and regular new car warranty, the salesman's commission, and a \$50.00 fee payable to your office. All trades will be taken into our inventory at cash value.

The \$50.00 fee will be paid to Dealers Diversified Services, Inc. for each new or used car sold and delivered at (name of Dealership) by referral from Dealers Diversified

Services, Inc., and will be paid upon receipt of your billing.

We understand that our prices will be treated by you in the strictest confidence, and will not be advertised or circulated. (Name of salesman) will be the salesman designated to handle your account. We agree that he will send two (2) exact copies of each purchase order to your office at time of delivery of new car, noting amount of over-allowance on trade, if such form of discount is used.

[fol. 1880] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AQ

CHEVROLET—CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

Chevrolet
(trade mark)

November 23, 1960.

Mr. J. H. Connell
Miller Chevrolet Company
1000 West Coast Highway
Newport Beach, California

Dear John:

May I acknowledge your personal letter of November 11th to Mr. Staley, which he immediately turned over to me as we were in the process and still are of thoroughly investigating the increased activity of discount houses on the Pacific Coast, and particularly in the general Los Angeles area.

You can rest assured that we, too, are disturbed by this situation, as are the management of General Motors Corporation, and as soon as the current investigation is completed all the facts will be reviewed very carefully to determine what position we will be able to take on this important subject.

I was glad to learn some time ago that you are now the operator at Newport Beach and, certainly, I want to wish you every success.

Yours very truly, L. N. Mays, Assistant General
Sales Manager.

LNM/ec

[fol. 1881] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AR

Mr. K. E. Staley, Chevrolet
Detroit, Mich.

December 2, 1960.

Dear Mr. Staley:

For publication, what is your policy on the matter outlined in the attached copy of the letter?

Sincerely, Frank Green.

[fol. 1882] AUTO DEALER BUSINESS LETTER

The "Green Sheet," now in its third year, published every week for all motor car dealers in Los Angeles and Orange Counties, the world's greatest automotive market. Subscription \$5 a month quarterly; \$50 a year annually. Frank Green, publisher.

P.O. Box 664, Balboa, California. Phone ORiole 3-8068.

December 2, 1960.

The dealer has blood in his eye about the discount house, finally after watching everybody fumble around about it, and there is a groundswell running that will do it in.

The fight is over whether or not in the future all new cars will be sold by department stores, and whether or not the dealer will maintain his investment in service facilities, where somebody else snags the sales from him.

The stuff hit the fan finally, because too many discount houses came in. The dealers see it as a national trend. And before everybody goes down the tubes, they are going to find out who stands where.

A campaign is being put on by the Motor Car Dealers Association of Orange County, of which Dick Heffern is the Secretary, and the membership of the group includes enough livewires that it will get a good going over, and of course it is the live wire that's got it in the end.

They were stung into action, you might say, to sting the factories into action. They turned to this as the last resort, because one day a salesman lost a deal to a discount house, and he asked his dealer what was being done about the discount house.

The review of the matter was not too complimentary, and the salesman threw up his hands and quit his job and went into another line of business altogether. Here is what he found out had been done:

A law was passed that would give the Department of Motor Vehicles a weapon with which the discount houses could be killed. The law was hastily drawn, pushed through against advice of counsel, worded in a way that made it bend in the middle.

The DMV then took this law out on the hunt, looking for a discount house to do in. The discount house was brought into court and made a shambles of the whole thing. The law has been called unconstitutional, among other things, and the discount houses have been found to be legal.

The Orange County guys were faced with seven discount houses, nestled in among seventy-seven dealers. One Chevrolet dealer in Los Angeles sent one of the discount houses thirty Chevrolets in one month.

The discount houses did things like put on an auto show, attracted thousands to see "all lines" had hundreds of inquiries, and dozens of sales. A salesman looking at this would naturally get his Irish up.

The dealers had their factory men out, some of them went to the show, others shopped the discount houses, it was a matter of getting the factory man to understand and believe what was going on, and what it was doing to seventy-seven cash customers of theirs.

[fol. 1883] The next thing that happened, the dealers had all their salesmen sit down and write to the president of their company, and ask him what he was doing about the dealers who sold to the discount houses.

Some factories got it back by long distance telephone right now, some have looked out the window, N. L. McLaughlin, the manager of the Long Beach Dealers Association had the assistant public relations director of Ford Motor Company fly out here from Detroit to talk about the Ford quality dealer program, and to add the information that they had already cut off the supply from one dealer who had been furnishing the main volume of cars to the discount houses. They could do this forthwith because Ford had a financial interest in the firm.

Other factory men drove out to talk to the salesmen, to explain the factory interest in the problem, promise some

remedy would be forthcoming as soon as it is possible to produce it.

At least one factory man bitched at the dealers for going over his head to the big boss. He found they are hepped up on the idea that the factory can stop it if the factory wants to.

One of the Rambler men told his factory man that he would buy that extra five thousand dollars in spare parts, and the display rack, and the batch of accessories that was being urged on him, if the factory would push a similar batch on the discount house down the street.

A Studebaker man told his factory man that he considers himself a used car dealer, and that selling new cars is a sideline, in which he engages when there is a profit in it, and if there is no profit in it, then the new cars will just sit there until there IS a profit in it.

The idea captures the imagination of every dealer who hears of it. One old-timer recommended that they go a step farther, and follow up to the president of the manufacturing firm, a month later, and tell him that thirty days have now gone by since the first letter, and what has he done about cutting off the supply?

What a lot of dealers hope will happen, is that the factory man will go to the guy who is supplying the cars to the discount houses, and sell him on the idea that what he is doing is not so good. They quote instances where the factory men had the urge to be persuasive with a dealer over some other matter, and it turned out that the factory men can be very persuasive when they put their mind to it.

One part of the Orange County struggle involved hiring the lawyer who has the reputation for being the best legal brains in automotive matters in Southern California. He has compiled a file two inches thick on the matter, and he then gives the off-the-cuff opinion that fourteen states have tried to outlaw discount houses, and they all fourteen ended up talking to themselves.

Another part of it brought out that the discount houses are becoming more and more national in scope, with lawyers who draw down fifty thousand a year just to take care of problems that are brought up by the surrounding merchants, and land in court.

And one final note, that might give an insight into which

way the wind is blowing on the factory attitude toward dealers who supply the discount houses: The letters that came back from the Ford factory to the salesmen, acknowledging the complaint, were signed by the president himself, and promised that everything would be done to correct it, as soon as it was possible.

One dealer in Long Beach told the customer to take his car back to the discount house for service. The customer did that, then came back, paid for the service he needed, and turned around and sued the dealer for the amount.

There was the distinct feeling here that the legal beagle at the discount house contentedly feels that the dealer's service department is available to discount house customers, and if you don't believe it, just try something.

[fol. 1884] In the San Fernando Valley, where seldom is heard a discouraging word, a big discount house went in in Canoga Park, and Dick Stewart wrote a letter on his Pioneer Oldsmobile stationery to the Director of the Department of Motor Vehicles, in Sacramento, which said:

"The J. M. Arnoff Company, 8341 Canoga Avenue, Canoga Park, California, ran an ad in the Los Angeles Times November 24, 1960, offering in their 'new car department, all makes, all models, complete factory warranty and service. Big discounts and trade-ins accepted at top market value.'

"This clearly is an offering to sell new cars by a company which does not have a franchise for all makes or the parts and service facilities to function as a new car dealer.

"The legitimate auto dealers represent a tremendous investment in this state. They employ thousands of people, carry a large tax burden and sincerely contribute to solving the transportation problem of our millions of people through licensed sales and maintaining proper service departments to keep the cars rolling. They render a genuine service to the community.

"We pay our licenses, our bonds, our taxes, our permits to operate, therefore we must ask for protection from those who clearly do not conform to the requirements of being a dealer.

"Therefore we feel that our state, county and city must be made a safe place in which legitimate business can prosper and the vital transportation needs of the public be served properly.

"We do hereby respectfully request that your office:

1. Take immediate and continuing action to stop this and all other operations of this type.

2. Conduct an investigation of all leasing companies operating in Los Angeles and when it is found that they are engaged in the business of selling new or used cars as well as leasing, that action be taken to stop them from operating as a new or used car dealer.

3. Counsel with newspapers and secure their cooperation in refusing to run ads offering new and used cars for sale except from a properly licensed dealer or an individual.

"We feel that this requested action is urgent and necessary for the protection of all automobile dealers and in the interests of the motoring public."

The same day, Dick distributed to a number of other dealers a letter which read: "Dear Dealer: The enclosed letter, with copies of the ad, was sent to the following offices: State of California, Department of Motor Vehicles, 3500 South Hope Street, Los Angeles, Calif.; Walter L. Peterson, City Clerk, City Hall, Los Angeles, Calif.; Mayor Norris Poulson, City Hall, Los Angeles, Calif.; Governor Pat Brown, State of California, Sacramento, Calif.; Police Commissioner, City of Los Angeles, 150 N. Los Angeles St., Los Angeles, Calif.; District Attorney, Los Angeles County, 211 Temple Street, Los Angeles, Calif.; Board of Supervisors, Los Angeles County, 211 Temple Street, Los Angeles, Calif.; Director, Department of Motor Vehicles, State of California, Sacramento, Calif.

"If you feel that the cause is right, to try and protect your business, won't you write a letter expressing your views and mail to some or all of the above offices or other offices that may help. Will you contact several other dealers in your community and urge them to write letters also.

"A group effort could produce results."

Dick Stewart has been in the automobile business in the San Fernando Valley for twenty-five years or so. His Pioneer Olds place is in North Hollywood, 4610 Lankershim Boulevard, Stanley 7-8115.

[fol. 1885] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AS

December 15, 1960.

Mr. Frank Green, Publisher
Auto Dealer Business Letter
P. O. Box 664
Balboa, California

Dear Mr. Green:

Recently, you wrote the executives of the Divisions of General Motors at their Central Offices in Michigan as well as to some of the Zone Managers in Los Angeles. Your letter to these individuals attached a copy of the "Auto Dealer Business Letter" issued on December 2 and requested "For publication, what is your policy on the matter outlined in the attached copy of the Letter?"

For your information, the activities of membership discount outlets in Orange County, California, were brought to the attention of the managements of the General Motors Corporation as well as to its Divisions, by General Motors dealers and their retail organizations located in the area. In addition, we have been kept informed of these activities by the local field organizations of General Motors.

This is a matter of deep concern to us in General Motors as well as to our Divisions. We are in the process of reviewing this matter with the individual General Motors dealers in the Los Angeles and Orange County areas.

The position and attitude of General Motors toward such activities has been conveyed to the individual dealers who have expressed their concern to us, and in addition [fol. 1886] the local wholesale organizations of each of our Divisions will discuss this situation in detail with the individual dealers.

Over a long period of years, the position of General Motors has been unchanging as to practices which have crept into the business from time to time, that represent

a threat to the fundamental structure of our system of distribution. We will continue our efforts to protect the good will of our products by every available legal means.

Will you please regard this letter as reply to each of the letters that you have addressed to executives of our Car Divisions, whether located at their Central Offices or in Los Angeles.

Very truly yours, J. M. Roche, Vice President.

bk

[fol. 1887] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AV

GENERAL MOTORS CORPORATION
Detroit 2, Michigan

December 28, 1960.

General Sales Managers

U.S. Car Divisions

You are familiar with the increasing activity on the part of membership discount houses operating new car sales departments. This condition has prompted certain Southern California dealers and their retail salesmen to send letters and telegrams to Mr. Gordon and to Divisional executives expressing their deep concern over this latest development which is having a direct effect on the normal retail sales of new cars. We have sent you copies of correspondence we received in this connection along with copies of replies that were made to your dealers.

This matter was reviewed at the meeting of the Distribution Group on December 21, 1960, and it was felt that a letter containing similar information should be sent to all dealers over the signature of the General Sales Managers of the Car Divisions. We are attaching a copy of a suggested letter which the Divisions may use in connection with this matter. The suggested letter has been developed for the Chevrolet Division, but of course can be readily adapted for use by the other Divisions.

We would like to suggest that this letter be dated and sent out to each of your dealers on December 30, 1960, so that letters from all Divisions will arrive at approximately the same time on January 3, 1961. Will you kindly send us five copies of the letter which you send to your dealers.

J. M. Roche.

g

Attach.

[fol. 1888]

CADILLAC MOTOR CAR DIVISION
General Motors Corporation

Detroit 32, Michigan.

Office of the General Sales Manager

December 30, 1960.

To Cadillac Distributors and Dealers

We are taking this means of acquainting Cadillac distributors and dealers with the problems incident to membership discount outlets offering new Cadillac cars for sale to members and their friends and the position of Cadillac with respect to this growing activity. We have received letters and telegrams from some dealers and employes of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Cadillac Motor Car Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Cadillac products. Some have even suggested that Cadillac condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Cadillac Quality Dealer Program and the continuity of our efforts to implement the Program.

Cadillac Motor Car Division does not and has not sold its new passenger cars for resale to any outlets other than authorized Cadillac dealers. Frankly, I believe every Cadillac dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of the Cadillac field organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Cadillac motor vehicles from Cadillac dealers for resale to members and their friends, or (2) by prearrangement with some Cadil-

lac dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the Cadillac dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Cadillac dealer reportedly pays a [fol. 1889] substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

Where the motor vehicles are purchased from a Cadillac dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors distributor and dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Cadillac car from one of the so-called discount houses, he reportedly does not receive a Cadillac Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Cadillac dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Cadillac because, as an owner of a Cadillac product, he expects the same high degree of service which owners of Cadillac vehicles have learned to enjoy over the years from the Cadillac dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Cor-

poration sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having [fol. 1890] title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as ~~he~~ pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Cadillac Selling Agreements.

More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant

in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Cadillac Motor Car Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales [fol. 1891] by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Cadillac field organization will give special attention to these problems. They propose to personally discuss this matter with dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Cadillac Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Cadillac with respect to the matters outlined herein.

Very truly yours, F. H. Murray, General Sales Manager.

FHMurray:mm

[fol. 1892]

BUICK MOTOR DIVISION,
General Motors Corporation,
Flint 2, Michigan

December 30, 1960.

To all Buick Dealers

We are taking this means of acquainting all Buick dealers with the problems incident to membership discount outlets offering new Buick cars for sale to members and their friends and the position of Buick with respect to this growing activity. We have received letters and telegrams from some dealers and employees of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Buick Motor Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Buick products. Some have even suggested that Buick condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some individuals of the Buick Quality Dealer Program and the continuity of our efforts to implement the Program.

Buick Motor Division does not and has not sold its new passenger cars for resale to any outlets other than authorized Buick dealers. Frankly, I believe every Buick dealer knows this, but it appears that some of their employees may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicles retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Buick motor vehicles from Buick dealers for resale to members and their friends, or (2) by prearrangement with some Buick dealers, they are in a position to make a deal with a cus-

tomers for a price and then refer the customer to the Buick dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Buick dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

[fol. 1893] Where the motor vehicles are purchased from a Buick dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Buick car from one of the so-called discount houses, he reportedly does not receive a Buick Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Buick dealer for his service requirements. If the purchaser is not satisfied with the service he received from the authorized dealer, he then blames Buick because, as an owner of a Buick product, he expects the same high degree of service which owners of Buick vehicles have learned to enjoy over the years from the Buick dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his

letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

[fol. 1894] The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral". Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Buick Dealer Selling Agreements.

More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capi-

tal equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Buick Motor Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Buick wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Buick Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they will more fully understand the position of Buick with respect to the matters outlined herein.

Very truly yours, E. C. Kennard, General Sales Manager.

ECK:bb

[fol. 1895] CHEVROLET—CENTRAL OFFICE
Division of General Motors Corporation
General Motors Building
Detroit 2, Michigan

December 29, 1960.

To all Chevrolet Dealers

We are taking this means of acquainting all Chevrolet dealers with the problems incident to membership discount outlets offering new Chevrolet cars for sale to members and their friends and the position of Chevrolet with respect to this growing activity. We have received letters and telegrams from some dealers and employes of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Chevrolet Motor Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Chevrolet products. Some have even suggested that Chevrolet condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Chevrolet Quality Dealer Program and the continuity of our efforts to implement the Program.

Chevrolet Motor Division does not and has not sold its new passenger cars and trucks for resale to any outlets other than authorized Chevrolet dealers. Frankly, I believe every Chevrolet dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Chevrolet motor vehicles from Chevrolet dealers for resale to members

and their friends, or (2) by prearrangement with some Chevrolet dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the Chevrolet dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Chevrolet dealer reportedly pays a [fol. 1896] substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

Where the motor vehicles are purchased from a Chevrolet dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Chevrolet car from one of the so-called discount houses, he reportedly does not receive a Chevrolet Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Chevrolet dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Chevrolet because, as an owner of a Chevrolet product, he expects the same high degree of service which owners of Chevrolet vehicles have learned to enjoy over the years from the Chevrolet dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those [fol. 1897] who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Chevrolet Dealer Selling Agreements.

More importantly, arrangements of this type tend to

downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

[fol. 1898] Chevrolet Motor Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Chevrolet wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Chevrolet Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Chevrolet with respect to the matters outlined herein.

Very truly yours, K. E. Staley, General Sales
Manager.

[fol. 1899]

OLDSMOBILE
Division of General Motors Corporation
Lansing 21, Michigan

December 30, 1960.

To all Oldsmobile Dealers:

We are taking this means of acquainting all Oldsmobile dealers with the problems incident to membership discount outlets offering new Oldsmobile cars for sale to members and their friends and the position of Oldsmobile with respect to this growing activity. We have received letters and telegrams from some dealers and employees of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Oldsmobile Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Oldsmobile products. Some have even suggested that Oldsmobile condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Oldsmobile Quality Dealer Program and the continuity of our efforts to implement the Program.

Oldsmobile Division does not and has not sold its new passenger cars and trucks for resale to any outlets other than authorized Oldsmobile dealers. Frankly I believe every Oldsmobile dealer knows this, but it appears that some of their employees may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Oldsmobile motor vehicles from Oldsmobile dealers for resale to members and their friends, or (2) by prearrangement with some Oldsmobile dealers, they are in a position to make

a deal with a customer for a price and then refer the customer to the Oldsmobile dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Oldsmobile dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman. [fol. 1900] Where the motor vehicles are purchased from an Oldsmobile dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Oldsmobile car from one of the so-called discount houses, he reportedly does not receive an Oldsmobile Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Oldsmobile dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Oldsmobile because, as an owner of an Oldsmobile product, he expects the same high degree of service which owners of Oldsmobile vehicles have learned to enjoy over the years from the Oldsmobile dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Cor-

poration sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

[fol. 1901] The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Oldsmobile Dealer Selling Agreements.

More importantly, arrangements of this type tend to

downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Oldsmobile Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Oldsmobile wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Oldsmobile Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Oldsmobile with respect to the matters outlined herein.

Very truly yours, Emmett P. Feely, General Sales
Manager.

[fol. 1902] GENERAL MOTORS CORPORATION
 Pontiac, Michigan
 PONTIAC MOTOR DIVISION

December 30, 1960.

To all Pontiac Dealers:

We are taking this means of acquainting all Pontiac dealers with the problems incident to membership discount outlets offering new Pontiac cars for sale to members and their friends and the position of Pontiac with respect to this growing activity. We have received letters and telegrams from some dealers and employes of dealerships expressing deep concern as to the effects of this type of competition on their business.

The substance of these communications, while varying in content, implies that Pontiac Motor Division as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new Pontiac products. Some have even suggested that Pontiac condones these practices as a means of obtaining additional sales.

All these implications are entirely unwarranted, and reflect a lack of understanding by some of the Pontiac Quality Dealer Program and the continuity of our efforts to implement the Program.

Pontiac Motor Division does not and has not sold its new passenger cars for resale to any outlets other than authorized Pontiac dealers. Frankly, I believe every Pontiac dealer knows this, but it appears that some of their employes may not be quite as well informed.

The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organization.

Inquiries have been made, and we are advised that these discount outlets either (1) purchase their Pontiac motor vehicles from Pontiac dealers for resale to members and their friends, or (2) by prearrangement with some Pontiac dealers, they are in a position to make a deal with a cus-

tomer for a price and then refer the customer to the Pontiac dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering Pontiac dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

[fol. 1903] Where the motor vehicles are purchased from a Pontiac dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing its deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

When a customer purchases a new-used Pontiac car from one of the so-called discount houses, he reportedly does not receive a Pontiac New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized Pontiac dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames Pontiac because, as an owner of a Pontiac product, he expects the same high degree of service which owners of Pontiac vehicles have learned to enjoy over the years from the Pontiac dealer organization.

While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, it has at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the

Automobile Dealers Association of Indiana. The following quotation is from that letter:

"For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

"This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit."

The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different

[fol. 1904] From the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Pontiac Dealer Selling Agreements.

More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capi-

tal equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

Pontiac Motor Division recognizes the problems raised by the discount house new car merchandising activities. They are critical problems for the public, the franchised dealers and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the dealer organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

The Pontiac wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their Pontiac Dealer Selling Agreement.

Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

You may wish to review this letter with your salesmen, so that they too will more fully understand the position of Pontiac with respect to the matters outlined herein.

Very truly yours, Frank V. Bridge, General Sales Manager.

[fol. 1905] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AW

Mr. J. M. Roche, 14-146 G.M. Bldg.
K. E. Staley, A-246 G.M. Bldg.

December 29, 1960.

This is to advise that the letter on "*discount houses*" referred to in your memorandum of December 28th, 1960 to General Sales Managers was mailed to all Chevrolet Dealers on December 29th, 1960.

The five copies of this letter which you requested are attached.

Very truly yours, —, —.

KES mw

Attachs.

[fol. 1906] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AX

February 15, 1961.

Mr. John S. Gordon, President
General Motors Building
New York City, New York

Dear Sir:

For the past seven years the Fleet Sales Company has provided qualified prospects for new cars dealers in the Los Angeles Area. We have developed a particular method which has been successful in locating and qualifying new car prospects for those dealers wishing to avail themselves of our services. This is our sole function.

As you well know, factory pressure has been brought to bear on General Motors dealers suggesting that they cease to do business with "discount houses". Unfortunately and wrongly, we have been included in this group.

It is not practical for us to remain in business unless we prospect for all makes of cars and certainly we could not survive without Chevrolet. Therefore, unless our prospecting service is approved or at least left up to each dealer to freely decide for himself, you will be forcing us out of existence.

We would be most happy to discuss this matter with you in your office, our office, by telephone or any place you may suggest at your earliest convenience in order to clarify any misconceptions you may have regarding our function.

Very truly yours, James Fahy, Partner, Virgil Dunn,
Partner.

Copies to: E. N. Cole, General Mgr., R. M. O'Connor,
Chevrolet Zone Mgr., R. M. Cash, Chevrolet Regional Manager.

[fol. 1907] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AY

GENERAL MOTORS CORPORATION
Inter-Organization Letters Only

March 23. 1961.

To: Mr. Lawrence Averill
Assistant General Sales Manager

Address: Chevrolet Motors Division
A-268

Dear Larry:

You will recall our conversation relative to a letter John F. Gordon, President, received from Mr. James Fahy, Fleet Sales Company, Los Angeles complaining that "factory pressure has been brought to bear on General Motors dealers suggesting they cease doing business with discount houses". Copies of Mr. Fahy's letter were sent to Messrs. E. N. Cole, R. M. O'Connor and R. M. Cash.

Attached is copy of our reply to Mr. Fahy as drafted by the Legal Department. We are forwarding copies of this correspondence to Messrs. Cole and O'Connor.

Sincerely, A. H. Belfie, Merchandising Manager.

AHB:jf

Attach.

[fol. 1908]

G B H

GENERAL MOTORS CORPORATION
General Motors Building
3044 West Grand Boulevard
Detroit 2, Michigan

Department of Justice, March 29 1961,
Division of Records, Anti-Trust

March 23, 1961.

Mr. James Fahy
Mr. Virgil Dunn
Fleet Sales Company
3870 Crenshaw Boulevard
Los Angeles 8, California

Gentlemen:

Your letter of February 15, 1961, addressed to Mr. John F. Gordon, President, General Motors Corporation, has been referred to the undersigned for attention and reply. This will also serve as an acknowledgement of the copies of that letter which you sent to Mr. E. N. Cole, General Manager, Chevrolet, Mr. R. M. Cash, Chevrolet Regional Manager, and Mr. R. M. O'Connor, Chevrolet Zone Manager.

I have no knowledge of what you term "factory pressure" having been brought to bear on General Motors dealers suggesting that they cease to do business with "discount houses".

Every General Motors dealer has a Selling Agreement which provides among other things, that the dealer shall furnish a place of business satisfactory as to appearance and location and adequate in size for new motor vehicle sales and service operations; and that once established in facilities and at a location mutually satisfactory to the dealer and General Motors, the dealer will not establish a new or different location, branch sales office, or place of business without the prior written approval of General Motors.

It was brought to our attention that some dealers had entered into arrangements with discount houses operating from advertised locations, far removed from the dealers'

locations—under which the discount houses were paid a commission for advertising and sell cars on behalf of the dealers. The dealers were advised that such arrangements were subject to investigation by General Motors Corporation in the light of the provisions of the Dealer Selling Agreements.

[fol. 1909] This notice to dealers reminding them of the lawful obligations which they had assumed as a part of their Selling Agreements is not to be confused with the idea of "factory pressure" as implied in your letter.

Every dealer knows, and has been so advised by General Motors, that as an independent merchant he is lawfully entitled to sell his inventory to anyone, anywhere, at any price. In doing so, however, he is not privileged to breach a lawful provision in the Selling Agreement which he has executed without rendering himself responsible for such breach.

Very truly yours, A. H. Belfie, Merchandising Manager.

AHB:jf

[fol. 1910] [File endorsement omitted]

[fol. 1911] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AZ

IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

STIPULATION OF FACTS NUMBER THREE—May 20, 1964

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE, INC.; and FOOTHILL
CHEVROLET DEALERS ASSOCIATION, Defendants.

[fol. 1912] Plaintiff and each of the defendants, through their respective counsel, hereby stipulate that witnesses, if called, would testify to the following facts:

1. GM Exhibits A and B are accurate photographic copies of maps prepared and copyrighted in 1961 by Renie Map Service, Los Angeles, California and are accurately scaled and topographically correct representations of those portions of Los Angeles, Orange and San Bernardino Counties, California, shown thereon as they were during the period January 1, 1960 through October 12, 1961. Colored numbered dots have been affixed to each of said maps. (Reduced photographic copies of said Exhibits are attached to this stipulation as Attachments A and B, respectively.)

2. The blue numbered dots shown on GM Exhibits A and B accurately reflect the geographic location of each Chevrolet dealer described in Paragraph 17 of the Stipulation of Facts No. 1 in these proceedings, located in the Chevrolet Los Angeles Metropolitan Area (as defined in Paragraph 17, Exhibit 4.2 of said Stipulation) during the

said period of January 1, 1960 through October 12, 1961. The number on each blue dot represents the name of the Chevrolet dealer described opposite the same number in GM Exhibit C, a copy of which is attached hereto as Attachment C.

[fol. 1913] 3. The red numbered dots shown on GM Exhibit A accurately reflect the geographic locations of those discount houses and referral services, set forth in Paragraph 28 of the Stipulation of Facts No. 1 in these proceedings, located within said Los Angeles Metropolitan Area. The number on each red dot represents the name of the discount house or referral service described opposite the same number in GM Exhibit D, a copy of which is attached hereto as Attachment D.

4. GM Exhibit E, a copy of which is attached hereto as Attachment E, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Ford, Mercury and Comet new car dealer (hereafter: "Ford Dealer") and its location, located in said Los Angeles Metropolitan Area. Each black numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Ford Dealer in said area. Each number on each black dot represents the name of the Ford Dealer described opposite the same number in said GM Exhibit E.

5. GM Exhibit F, a copy of which is attached hereto as Attachment F, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Plymouth and Dodge dealer (hereafter: "Chrysler Dealer") and its location, located in said Los Angeles Metropolitan Area. Each orange numbered dot shown on [fol. 1914] said GM Exhibit B accurately reflects the geographic location of each such Chrysler Dealer in said area. Each number on each orange dot represents the name of the Chrysler Dealer described opposite the same number in said GM Exhibit F.

6. GM Exhibit G, a copy of which is attached hereto as Attachment G, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan,

of every Rambler dealer and its location, located in said Los Angeles Metropolitan Area. Each green numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Rambler dealer in said area. Each number on each green dot represents the name of the Rambler dealer described opposite the same number in GM Exhibit G.

7. GM Exhibit H, a copy of which is attached hereto as Attachment H, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Studebaker dealer and its location, located in said Los Angeles Metropolitan Area. Each brown numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Studebaker dealer in said area. Each number on each brown dot represents the name of the Studebaker dealer described opposite the same number in GM Exhibit H.

[fol. 1915] 8. GM Exhibit I, a copy of which is attached hereto as Attachment I, is an accurate listing as of September 1961, obtained from R. L. Polk & Co., Detroit, Michigan, of every Volkswagen dealer and its location, located in said Los Angeles Metropolitan Area. Each magenta numbered dot shown on said GM Exhibit B accurately reflects the geographic location of each such Volkswagen dealer in said area. Each number of each magenta dot represents the name of the Volkswagen dealer described opposite the same number in GM Exhibit I.

9. GM Exhibit J, a copy of which is attached hereto as Attachment J, is an accurate and complete tabulation and compilation prepared from Exhibit B, showing by identifying number, each Chevrolet dealer, Ford dealer, Chrysler dealer, Rambler dealer, Studebaker dealer and Volkswagen dealer located within a five mile radius of each Chevrolet dealer indexed in Exhibit C.

• • • • •

[fol. 1916] Dated: May 20, 1964.

Maxwell M. Blecher, Robert C. Weinbaum. By:
Maxwell M. Blecher, Attorney, Department of
Justice. O'Melveny & Myers, Lawler, Felix &
Hall, Aloysius F. Power, Robert A. Nitschke,
Nicholas J. Rosiello. By Homer I. Mitchell,
Hansen & Dolle, Glenn S. Roberts. By: Victor
R. Hansen, Attorneys for Defendants.

It is so ordered this 1st day of June, 1964.

Charles H. Carr, United States District Judge.

[fol. 1917] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BA

Summary of Profitability in the Service and Parts Departments in 1960 for
the 76 Los Angeles Metropolitan Area Chevrolet Dealers

	Number of Dealers	Percent of Dealers	Median Net Profit or (Loss) in Serv. & Parts Depts.
	No.	%	\$
Profitable.....	23	30	11,900
Non-profitable.....	53	70	(20,500)
Total.....	76	100	(14,100)

[fol. 1918] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BB

Estimated Reduction in New Car Volume to Eliminate All Profit for Volume
Classes of Los Angeles Metropolitan Area Chevrolet Dealers

Dealer Volume Class (Before Reduction)	Reduction to Eliminate Profit	
	% Reduction	No. Cars Per Year
300.....	12%	36
400.....	17%	68
500.....	33%	165
600.....	21%	126
700.....	30%	210

[fol. 1919] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BC

Estimated Reduction in New Car Selling Price to Eliminate All Profit for Volume
Classes of Los Angeles Metropolitan Area Chevrolet Dealers

Dealer Volume	Price Reduction to Eliminate Profit	
	% Reduction	Dollars Per Car
300.....	1.0%	\$27
400.....	1.4%	\$38
500.....	2.9%	\$77
600.....	1.8%	\$48
700.....	2.6%	\$69

[fol. 1920] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BD

Median Gross Profit Per New Chevrolet Passenger Car Sold in 1960 by Los
Angeles Metropolitan Area Chevrolet Dealers Who Sold Through Discount
Houses or Referral Services

(Current Models Only)

Dealer	Number Sold		Median Gross Profit Per Car	
	Regular (No.)	Referral- Discount House (No.)	Regular (\$)	Referral- Discount House (\$)
All 7 dealers.....	5,970	1,336	220	235
Biggs.....	643	355	249	254
Bruder.....	600	239	231	251
Citizens.....	1,259	262	195	223
Courtesy.....	1,573	104	223	227
Gwynn.....	668	93	232	221
Porter.....	789	138	230	224
West Adams.....	438	145	224	223

[fol. 1921] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BE

TAKEN FROM HIRSCH, INTRODUCTION TO MODERN STATISTICS,
p 45 (The Macmillan Company, 1957)



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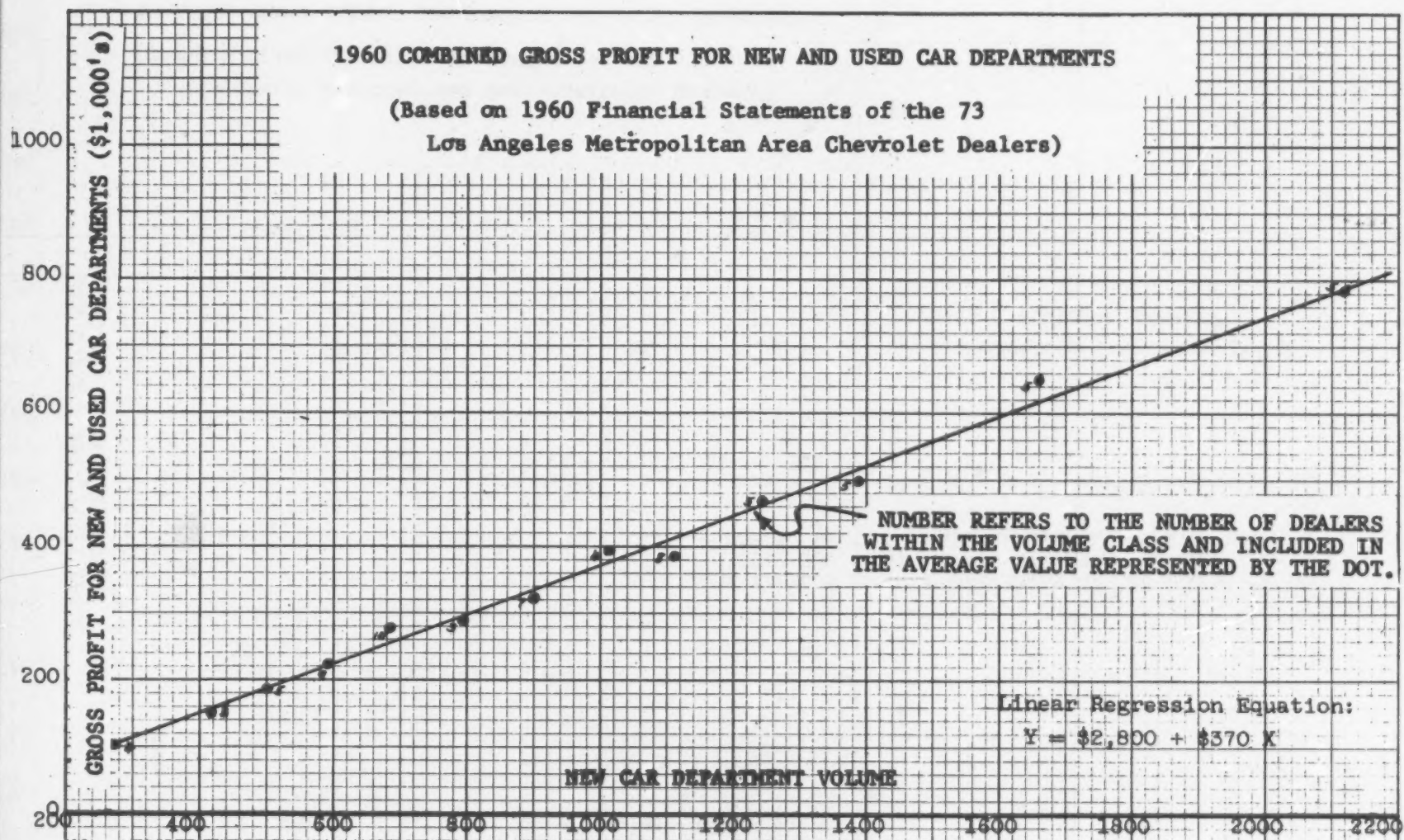
"Average annual income here's about \$12,000. There's fifty of us
clears \$2,000 and one fellow makes half a million"

In the example depicted the Average as determined by
the MEDIAN is \$2,000 while the Average as determined by
the ARITHMETIC MEAN is \$11,765.

[fol 1922]

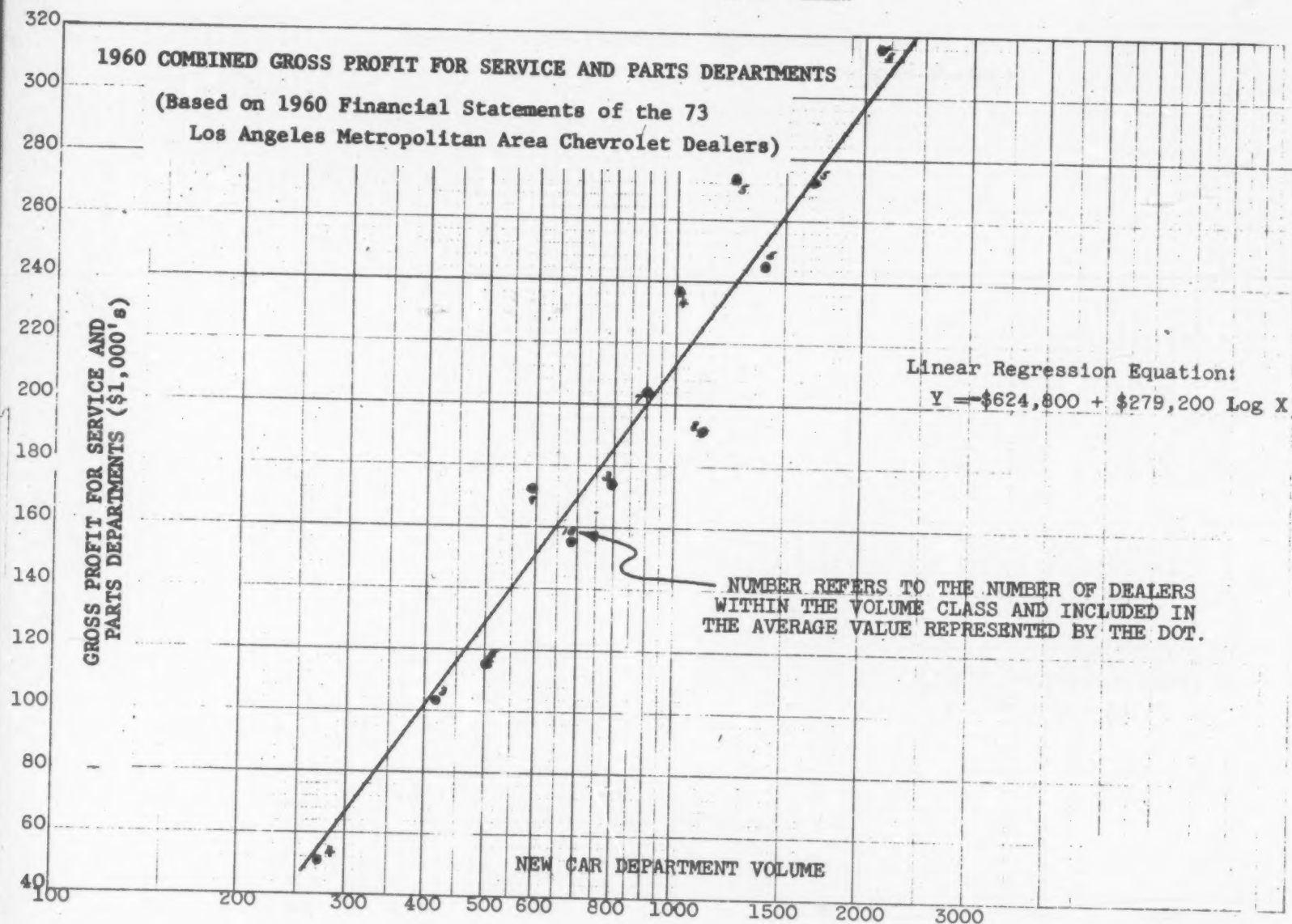
IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BF



IN THE UNITED STATES DISTRICT COURT

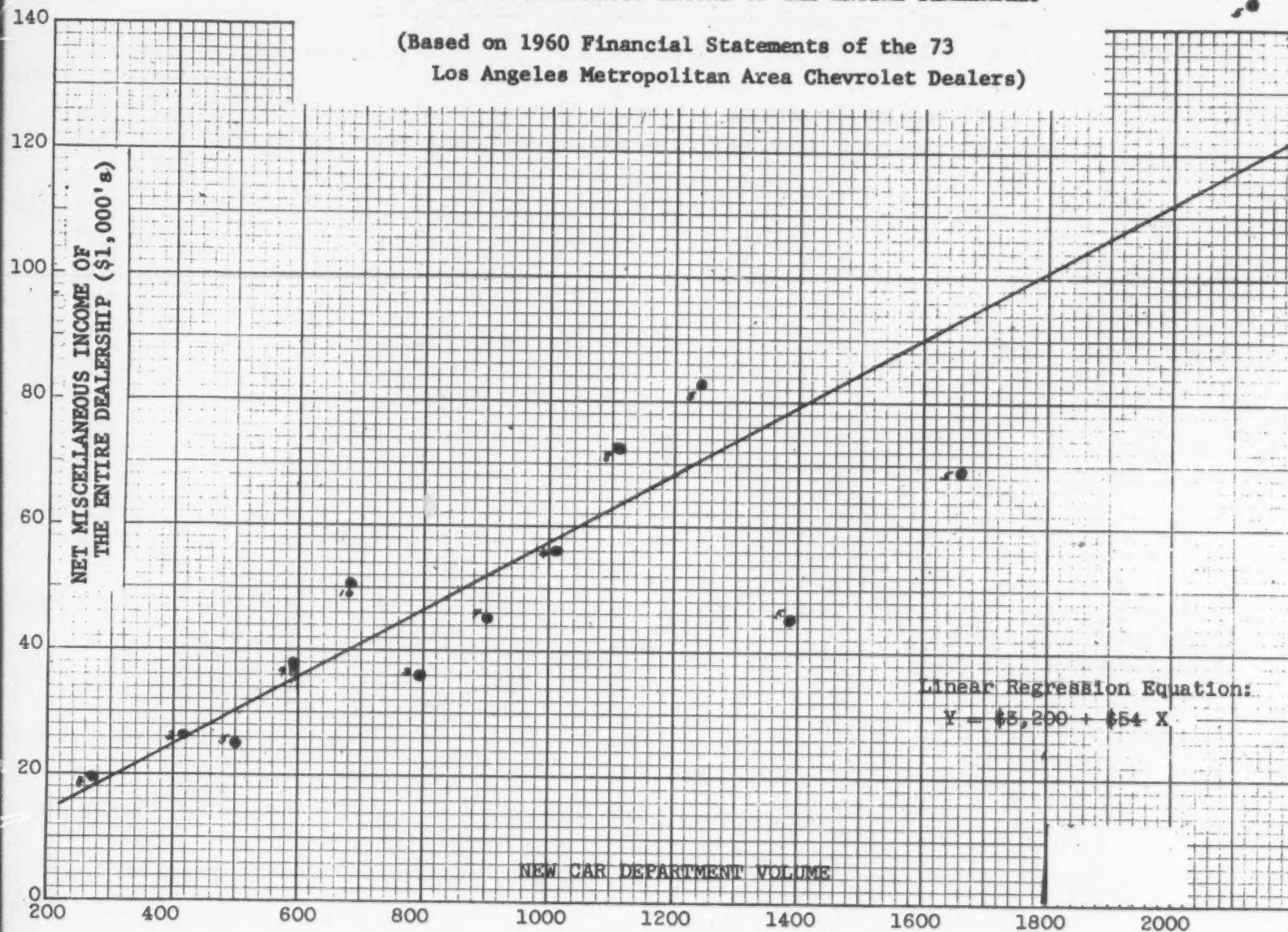
DEFENDANTS' EXHIBIT BG



DEFENDANTS' EXHIBIT BH

1960 NET MISCELLANEOUS INCOME OF THE ENTIRE DEALERSHIP

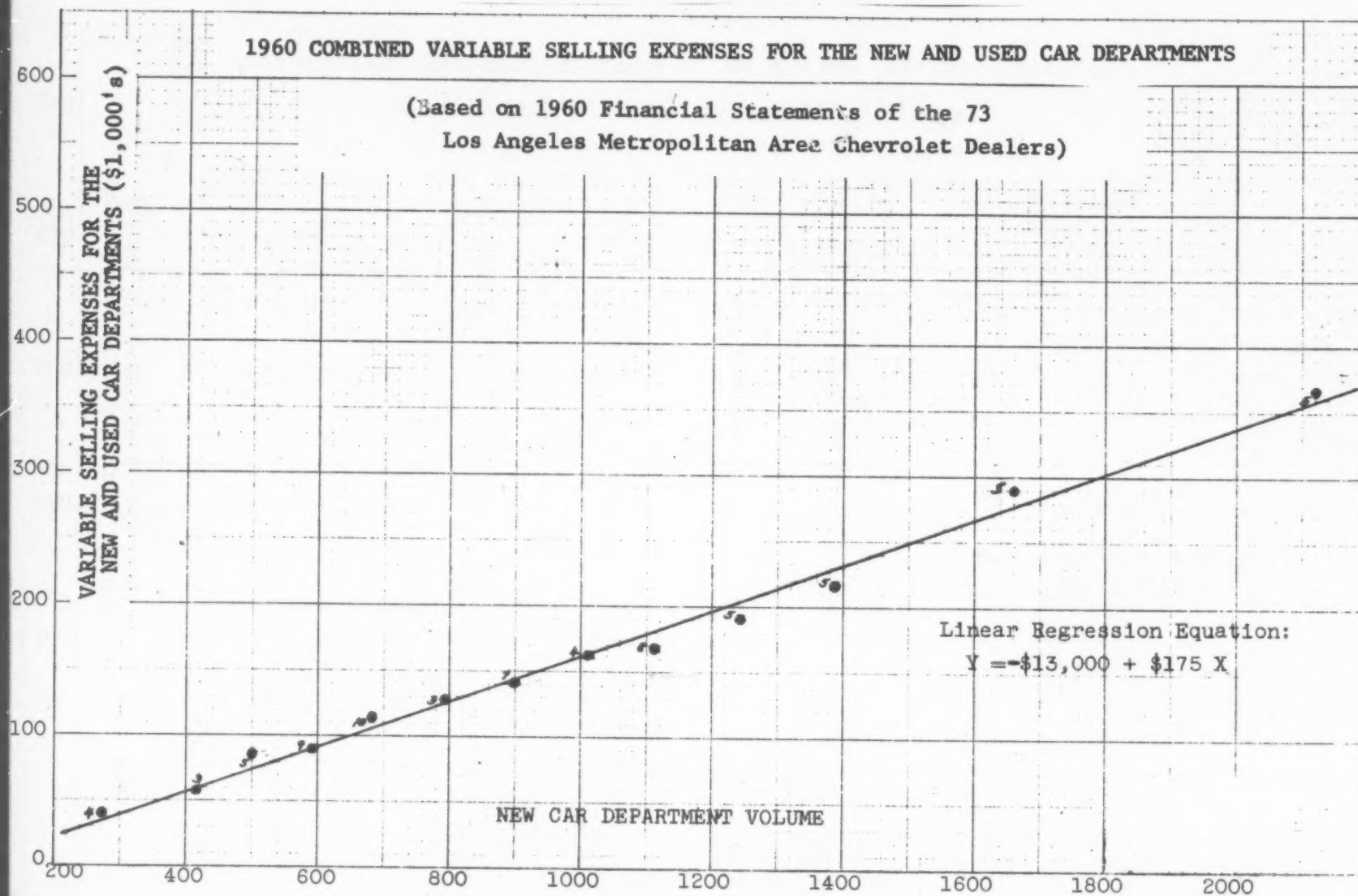
(Based on 1960 Financial Statements of the 73
Los Angeles Metropolitan Area Chevrolet Dealers)



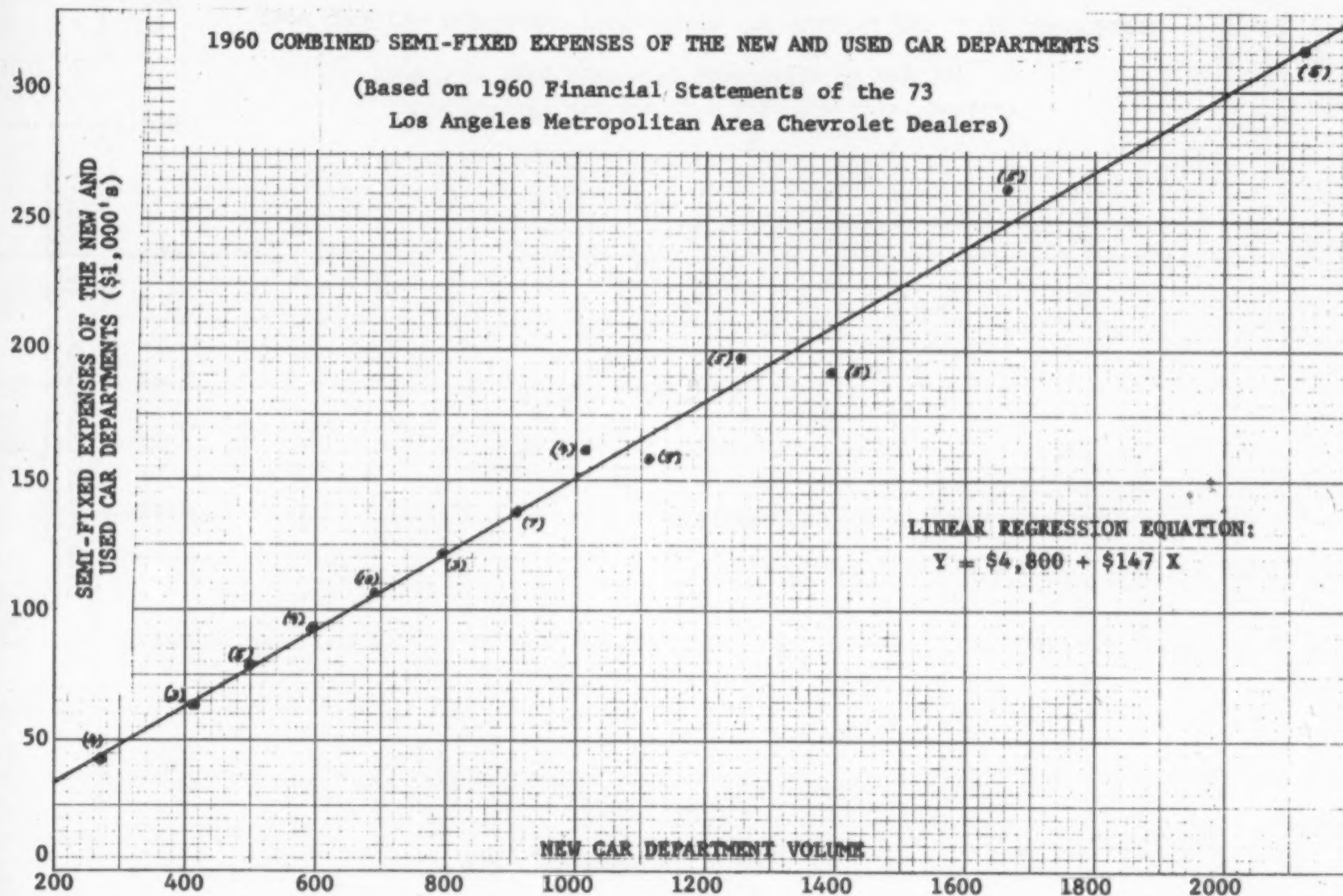
[fol. 1925]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BI



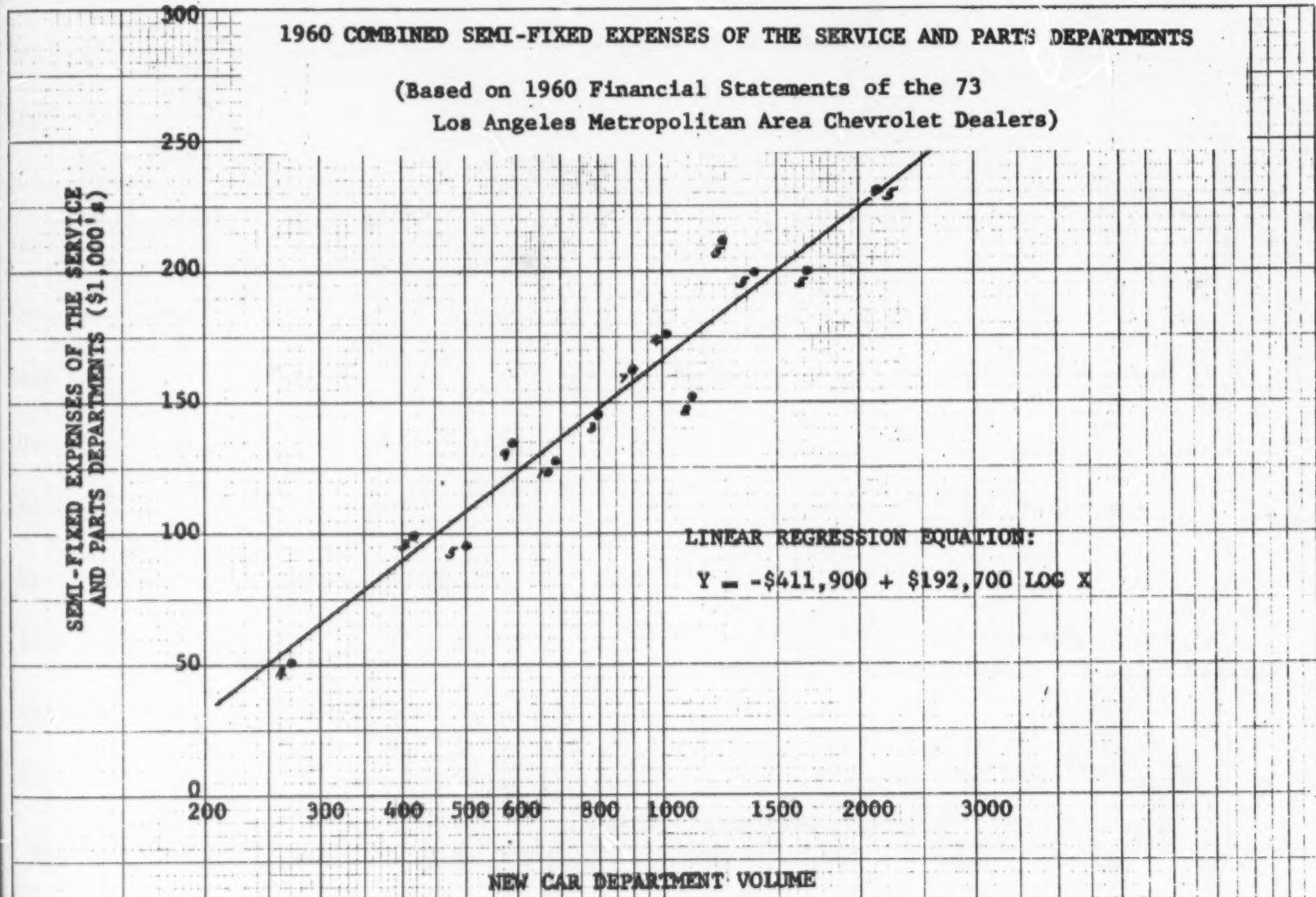
DEFENDANTS' EXHIBIT BJ



[fol. 1927]

IN THE UNITED STATES DISTRICT COURT

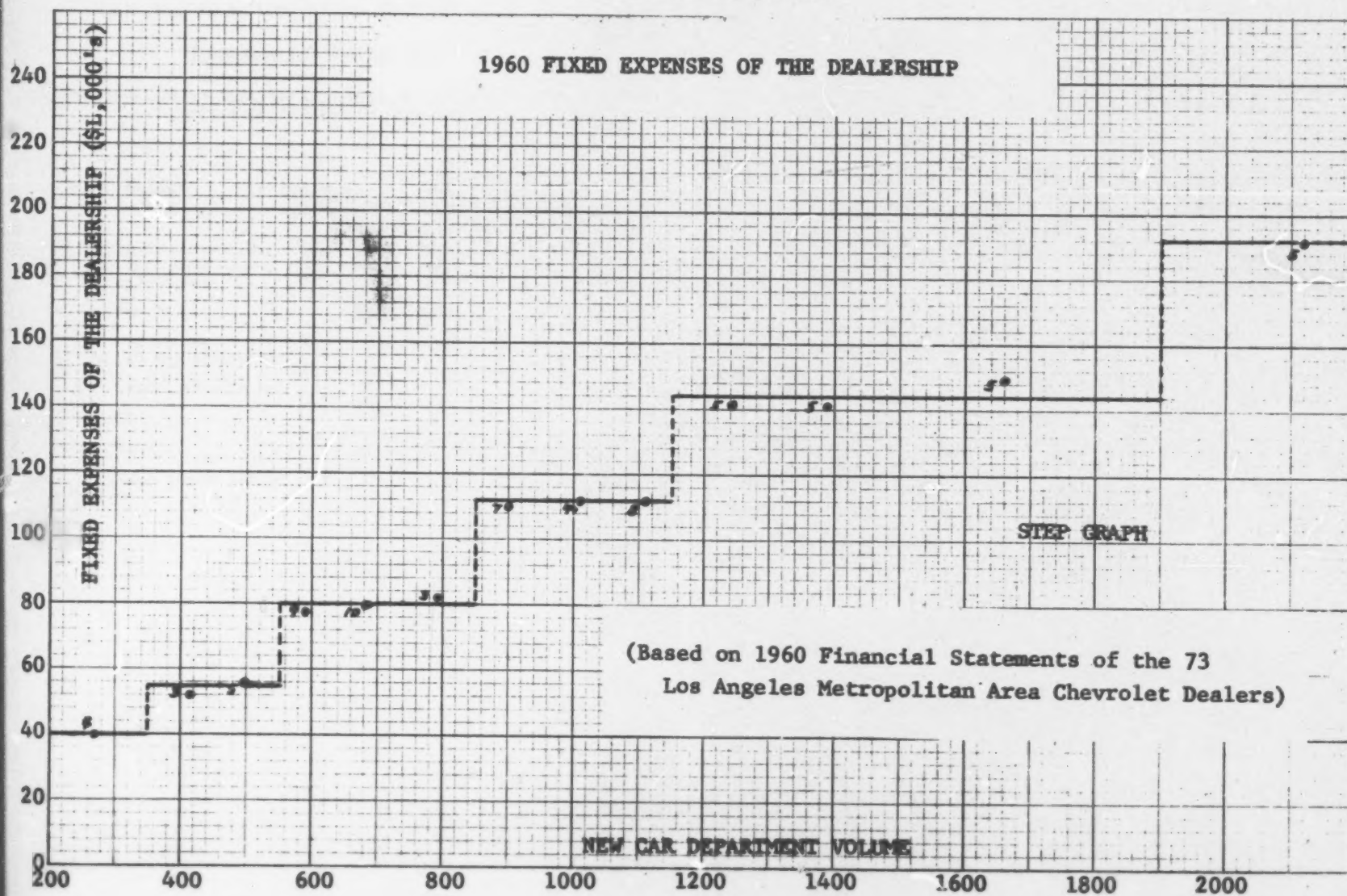
DEFENDANTS' EXHIBIT BK

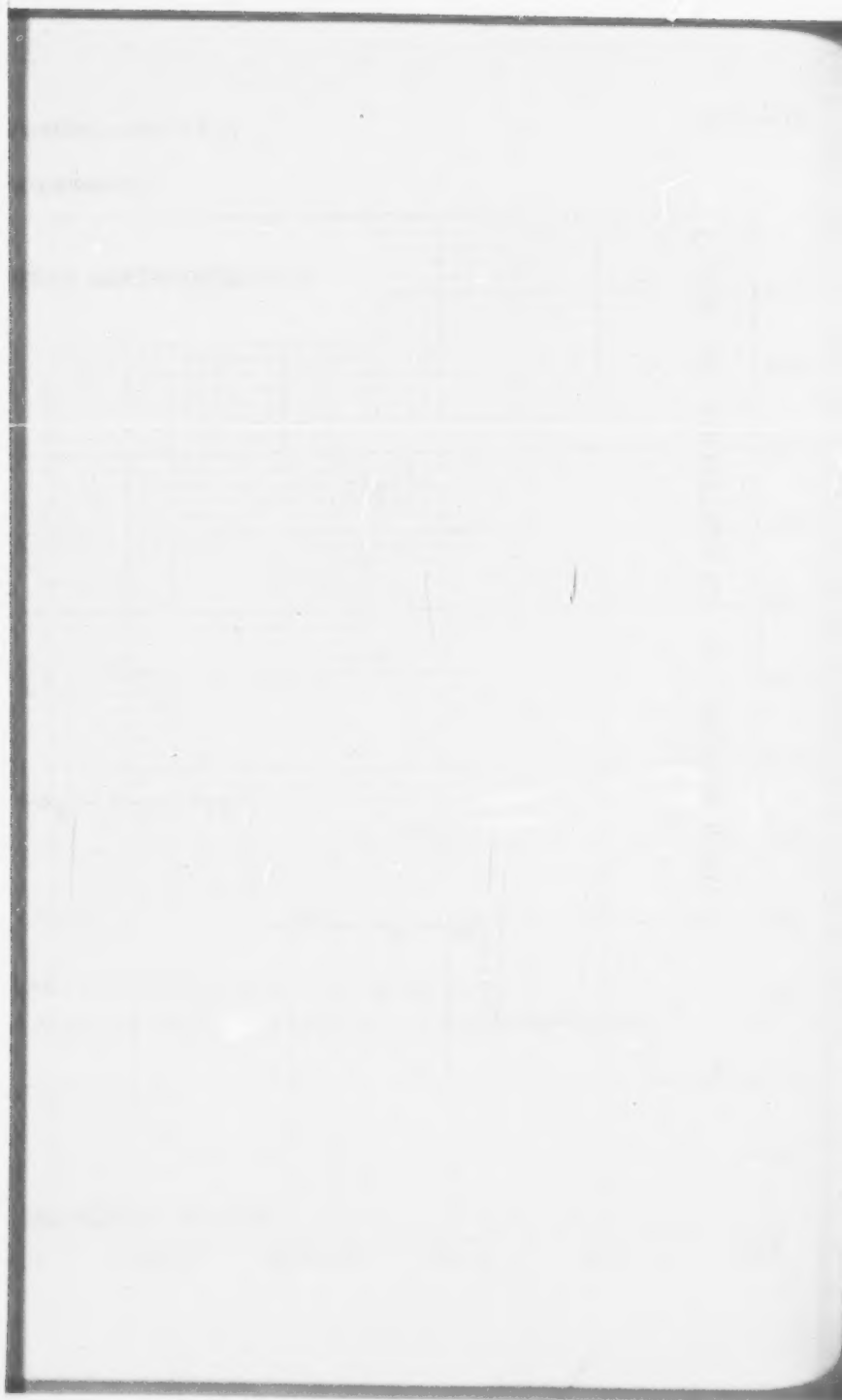


[fol. 1928]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BL





[fol. 1929] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BM

Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 300 New Car Volume Class

Financial Item	Reference Exhibit	300 (\$000's)	Per Cent Reduction		
			5% Number of New Car Sales 285	10% 270	12% 264
			(\$000's)	(\$000's)	(\$000's)
Gross profit on new and used cars . .	BF	113.8	108.2	102.7	100.5
Gross profit on parts and service . .	BG	66.8	66.8	66.8	66.8
Miscellaneous net income	BH	19.4	18.6	17.8	17.5
Total gross profit		200.0	193.6	187.3	184.8
Variable selling expenses	BI	39.5	36.9	34.2	33.2
Semi-fixed new and used car ex- penses	BJ	48.9	47.9	46.9	46.5
Semi-fixed service and parts ex- penses	BK	65.4	65.4	65.4	65.4
Fixed expenses	BL	40.0	40.0	40.0	40.0
Total expenses		193.8	190.2	186.5	185.1
Net profit before bonuses and in- come taxes		<u>6.2</u>	<u>3.4</u>	<u>0.8</u>	<u>(0.3)</u>
					Breakeven Point

[fol. 1930] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BN

Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 400 New Car Volume Class

		Per Cent Reduction				
		5%	10%	15%	17%	
Financial Item	Reference Exhibit	Number of New Car Sales				
		400	380	360	340	332
		(<small>'000's</small>)	(<small>'000's</small>)	(<small>'000's</small>)	(<small>'000's</small>)	(<small>'000's</small>)
Gross profit on new and used cars.....	BF	150.8	143.4	136.0	128.6	125.6
Gross profit on parts and service.....	BG	101.7	101.7	101.7	101.7	101.7
Miscellaneous net income.	BH	24.8	23.7	22.6	21.6	21.1
Total gross profit...		277.3	268.8	260.3	251.9	248.4
Variable selling expenses..	BI	57.0	53.5	50.0	46.5	45.1
Semi-fixed new and used car expenses.....	BJ	63.6	62.3	61.1	59.8	59.3
Semi-fixed service and parts expenses.....	BK	89.5	89.5	89.5	89.5	89.5
Fixed expenses.....	BL	55.0	55.0	55.0	55.0	55.0
Total expenses.....		265.1	260.3	255.6	250.8	248.9
Net profit before bonuses and income taxes.....		<u>12.2</u>	<u>8.5</u>	<u>4.7</u>	<u>1.1</u>	<u>(0.5)</u>
						Breakeven point

[fol. 1932] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BP

Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 600 New Car Volume Class

Financial Item	Reference Exhibit	Per Cent Reduction			
		10%	20%	21%	
		Number of New Car Sales			
		600	540	480	474
		(000's)	(000's)	(000's)	(000's)
Gross profit on new and used cars..	BF	224.8	202.6	180.4	178.2
Gross profit on parts and service...	BG	150.9	150.9	150.9	150.9
Miscellaneous net income.....	BH	35.6	32.4	29.1	28.8
Total gross profit.....		411.3	385.9	360.4	357.9
Variable selling expenses.....	BI	92.0	81.5	71.0	70.0
Semi-fixed new and used car ex- penses.....	BJ	93.0	89.3	85.6	85.2
Semi-fixed service and parts ex- penses.....	BK	123.4	123.4	123.4	123.4
Fixed expenses.....	BL	80.0	80.0	80.0	80.0
Total expenses.....		388.4	374.2	360.0	358.6
Net profit before bonuses and in- come taxes.....		<u>22.9</u>	<u>11.7</u>	<u>0.4</u>	<u>(0.7)</u>
		Breakeven Point			

[fol. 1933] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BQ

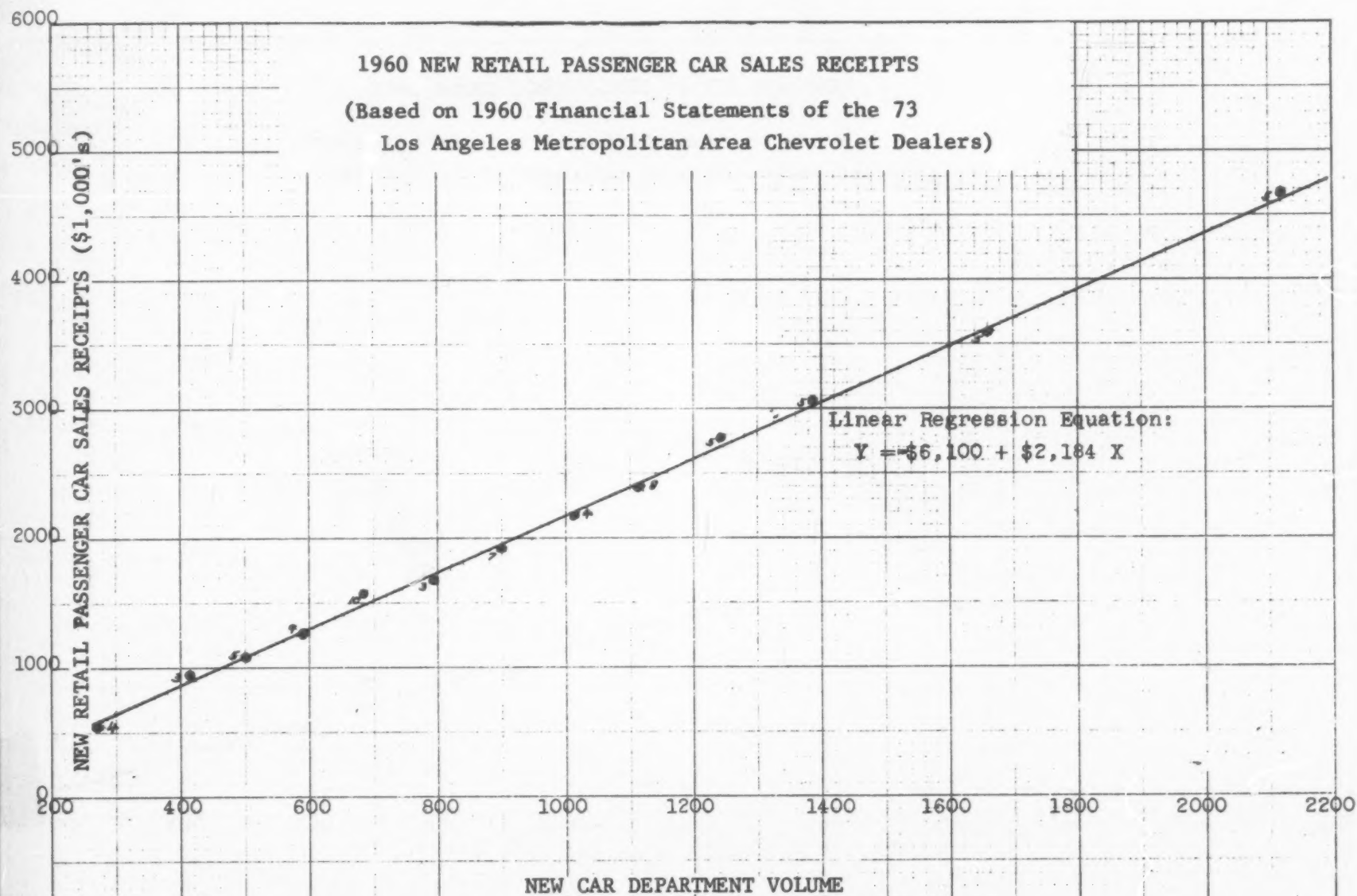
Effect of a Loss in Sales Volume Upon a Los Angeles Metropolitan Area Chevrolet Dealer of the 700 New Car Volume Class

Financial Item	Reference Exhibit	Per Cent Reduction			
		10%	20%	30%	
		Number of New Car Sales			
		700	630	560	490
		(\$000's)	(\$000's)	(\$000's)	(\$000's)
Gross profit on new and used cars . .	BF	261.8	235.9	210.0	184.1
Gross profit on parts and service . .	BG	169.6	169.6	169.6	169.6
Miscellaneous net income	BH	41.0	37.2	33.4	29.7
Total gross profit		472.4	442.7	413.0	383.4
Variable selling expenses	BI	109.5	97.2	85.0	72.8
Semi-fixed new and used car ex- penses	BJ	107.7	103.4	99.1	94.8
Semi-fixed service and parts ex- penses	BK	136.4	136.4	136.4	136.4
Fixed expenses	BL	80.0	80.0	80.0	80.0
Total expenses		433.6	417.0	400.5	384.0
Net profit before bonuses and in- come taxes		<u>38.8</u>	<u>25.7</u>	<u>12.5</u>	<u>(0.6)</u>
					Breakeven Point

[fol. 1934]

IN THE UNITED STATES DISTRICT COURT

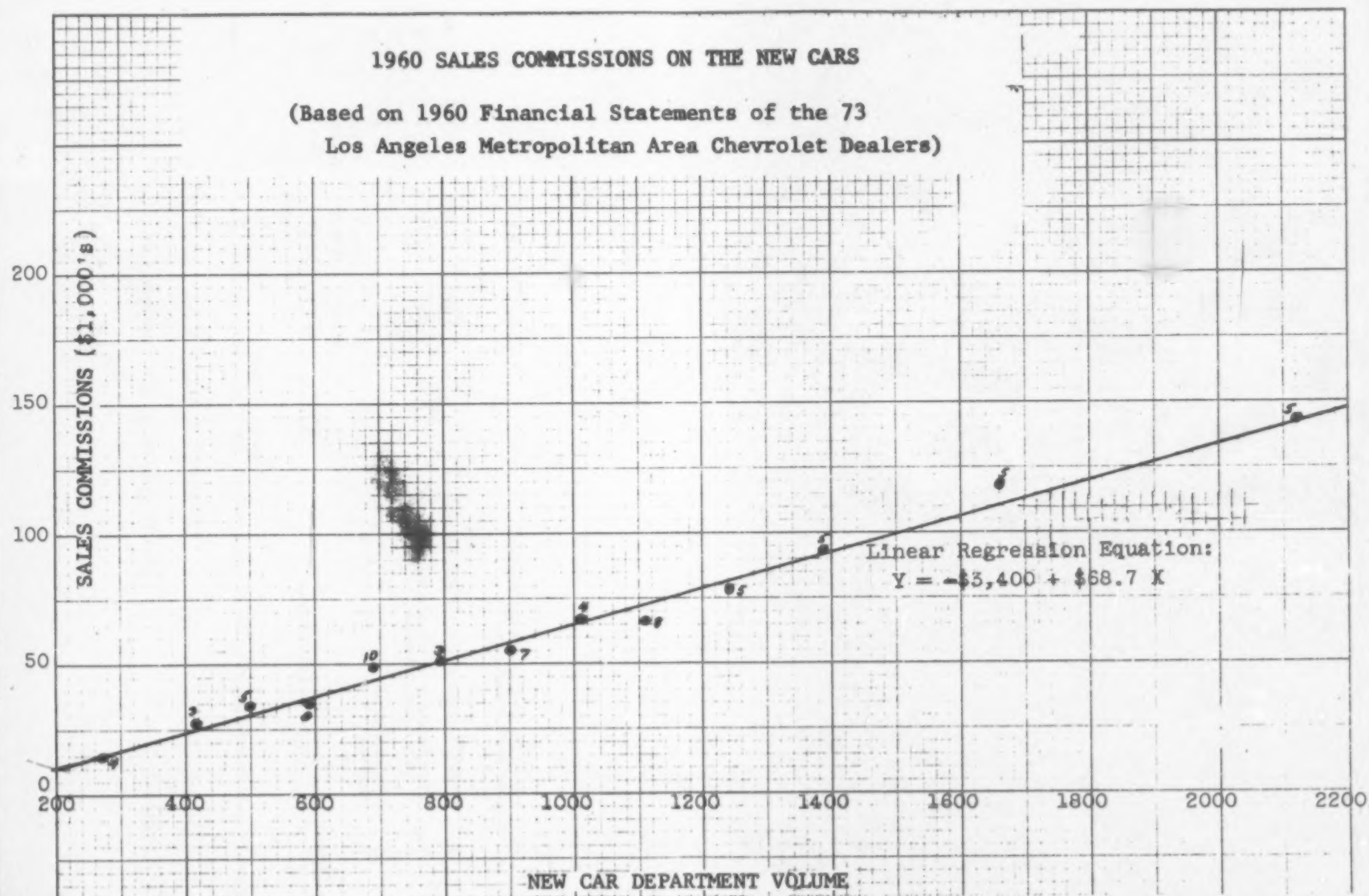
DEFENDANTS' EXHIBIT BR



[fol. 1935]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BS





[fol. 1936]

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BT

Effect of Reductions in Selling Prices of New Chevrolets Upon Los Angeles Metropolitan Area Chevrolet Dealers of Various Volume Classes

Line Number	Financial Item	Reference Exhibit	Number of New Car Sales					
			300	400	500	600	700	
1	Retail sales.....	BR	((\$000's)	((\$000's)	((\$000's)	((\$000's)	((\$000's)	
2	Sales commissions.....	BS	649.1	867.5	1,085.9	1,304.3	1,522.7	
			17.2	24.1	31.0	37.8	44.7	
3	Sales minus commission.....		631.9	843.4	1,054.9	1,266.5	1,478.0	
4	Profits before bonuses and income taxes.....	(BM to BQ)	6.2	12.2	30.8	22.9	38.8	
5	Percent price reduction to breakeven point = NP x 100		1.0%	1.4%	2.9%	1.8%	2.6%	
6	Sales minus commissions Dollars per car = (%) (\$2,652 per car).....		\$27	\$38	\$77	\$48	\$69	

[fol. 1937] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BU

Chevrolet Dealers in Los Angeles Metropolitan Area Within Five Miles of Each of the Discount Houses and Referral Services Shown on Def. GM Ex. A

Discount House or Referral Service (Identifying Number)	Chevrolet Dealers Located Within Five Miles Identifying Number	Total
1	3-14-42-50-51	5
2	21-36-45-72	4
3	2-4-9-12-24-30-47-54-55-59-84	11
4	64-65-72	3
5	21-22-45-49	4
6	1-9-12-15-20-37-55-85	8
7	5-7-23-31-40-48-62-71	8
8	64-65-72	3
9	65-69-70	3
10	10-39-41-43-53-57-84	7
11	21-22-45-49	4
12	69-70	2
13	5-8-31-48-61-62-71-81	8
14	18-29-34-77-83	5
15	36-45-75	3
16	7-31-40-48-62-71-81	7
17	14-30-42-47-51-54-57-80-84	9
18	13-65-69	3
19	64-65	2
20	4-9-14-24-30-43-47-54-57-59-72-80-84	13
21	21-22-45-75	4
22	3-46-50-63	4
23	12-20-37-64-68-85	6

[fol. 1938] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BW

Distribution of Franchised Chevrolet Dealers by New Passenger Car and Truck Volume Groups, 1960

Chevrolet Los Angeles Metropolitan Area*

Volume Groups	Number Of Dealers	Percent Of Dealers	Percent of Dealers, Cumulated
Less than 300 new cars & trucks	3	3.9%	3.9%
300 to 399 new cars & trucks	2	2.6	6.5
400 " 499 " " " "	5	6.6	13.1
500 " 749 " " " "	21	27.6	40.7
750 or more new cars & trucks	45	59.3	100.0
Total	76	100.0	—

* As defined in Exhibit 4.2 of Stipulation of Facts Number One in *United States v. General Motors Corporation, et al.*, (Civil No. 62-1208-CC).

[fol. 1939] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BX

Distribution of Franchised Chevrolet Dealers By New Passenger Car and Truck Volume Groups, 1960

Chevrolet Los Angeles Zone

	Number of Dealers	Percent of Dealers	Percent of Dealers, Cumulated
Less than 300 new cars & trucks	42	28.8%	28.8%
300 to 399 new cars & trucks	6	4.1	32.9
400 " 499 " " " "	14	9.6	42.5
500 " 749 " " " "	28	19.2	61.7
750 or more new cars & trucks	56	38.3	100.0
Total	146	100.0	—

[fol. 1940] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT BZ

Distribution of 85 Franchised Chevrolet Dealers in the Chevrolet Los Angeles Metropolitan Area By Number of Other Franchised New Car Dealers Located Within a Radius of 5 miles from their Places of Business

Chevrolet Dealers in Metropolitan Los Angeles Area		New Car Dealers Within 5-mile Radius of Dealers in Col. 1			
Number	Percent of Total, Cumulated	Number	Average Number		
			Chevrolet	Other Makes	Total
8	9.4%	50 to 62	11	45	56
9	20.0	40 to 49	9	36	45
17	40.0	30 to 39	7	27	34
19	62.4	20 to 29	4	21	25
24	90.6	10 to 19	2	13	15
8	100.0	0 to 10	1	5	6

Source: Computed from basic data in Attachment J of Stipulation of Facts Number Three in U.S. v. G.M.C. et al (Civil No. 62-1208-CC).

[fol. 1941]

IN THE UNITED STATES DISTRICT COURT
 DEFENDANTS' EXHIBIT CA

GSD 477

NATIONAL PRICE CLASS PERFORMANCE

	Chevrolet	Ford	Plymouth	Hudson-Essex Terraplane Hudson Jet Rambler	Villlys Amer-Jeep	Stude. Rockne Champ. Comdr.	Graham	Henry J.	Allstate	Nash Lafayette Rambler	Dodge	Pontiac	Overland	Star	P. C. Market
1922	14.0	71.8	-	-	-	-	-	-	-	-	9.2	-	5.0	-	100.0
1923	16.8	67.1	-	-	-	-	-	-	-	-	6.6	-	5.1	4.4	100.0
1924	14.3	69.5	-	-	-	-	-	-	-	-	7.8	-	5.3	3.1	100.0
1925	17.1	62.6	-	-	-	-	-	-	-	-	8.4	-	-	-	100.0
1926	23.0	53.5	-	6.0	5.9	-	-	-	-	-	10.4	2.4	-	-	100.0
1927	41.9	25.4	-	10.8	4.5	-	-	-	-	-	8.0	7.4	-	-	100.0
1928	42.0	26.3	1.6	9.7	6.5	-	-	-	-	-	-	10.0	-	-	100.0
1929	29.0	48.8	3.2	7.1	6.0	-	-	-	-	-	-	5.9	-	-	100.0
1930	32.2	54.9	3.3	3.3	2.7	-	-	-	-	-	-	5.4	-	-	100.0
1931	42.8	38.8	6.9	3.1	3.0	-	-	-	-	-	-	5.1	-	-	100.0
1932	40.3	32.3	14.0	3.6	2.6	2.1	-	-	-	-	-	-	-	-	100.0
1933	43.4	28.4	22.8	2.3	1.1	1.7	.3	-	-	.7	-	-	-	-	100.0
1934	37.5	37.2	21.2	2.8	.5	-	.1	-	-	.9	-	-	-	-	100.0
1935	33.6	42.2	19.6	2.8	.5	-	.4	-	-	1.0	-	-	-	-	100.0
1936	40.5	32.6	21.7	3.4	.5	-	.3	-	-	2.5	-	-	-	-	100.0
1937	35.3	35.2	21.2	3.4	2.4	-	-	-	-	2.0	-	-	-	-	100.0
1938	39.3	30.8	24.3	2.5	1.1	2.8	-	-	-	-	-	-	-	-	100.0
1939	39.6	31.9	23.1	1.6	1.0	3.2	-	-	-	.2	-	-	-	-	100.0
1940	43.4	27.6	22.3	2.2	1.1	3.4	-	-	-	2.3	-	-	-	-	100.0
1941	41.5	28.3	21.3	2.2	1.0	-	-	-	-	5.8	-	-	-	-	100.0
1946	35.8	35.4	23.0	-	1.5	-	-	-	-	4.0	-	-	-	-	100.0
1947	40.7	33.9	19.9	-	1.3	-	-	-	-	3.7	-	-	-	-	100.0
1948	43.6	30.0	21.4	-	1.1	5.3	-	-	-	4	-	-	-	-	100.0
1949	40.8	31.9	20.9	-	1.0	6.2	-	-	-	4	-	-	-	-	100.0
1950	41.7	34.2	16.1	-	1.0	3.9	-	1.9	-	1.7	-	-	-	-	100.0
1951	39.5	31.9	20.1	-	1.8	3.6	-	1.3	.1	2.3	-	-	-	-	100.0
1952	38.4	33.0	19.5	-	1.3	2.7	-	.3	-	1.2	-	-	-	-	100.0
1953	41.2	34.3	18.4	.5	1.3	1.8	-	-	-	1.1	-	-	-	-	100.0
1954	42.7	42.1	11.5	.3	.5	1.9	-	-	-	1.3	-	-	-	-	100.0
1955	40.8	39.2	16.1	.5	.2	1.4	-	-	-	1.5	-	-	-	-	100.0
1956	44.2	38.8	13.6	.5	-	1.1	-	-	-	2.4	-	-	-	-	100.0
1957	39.6	40.7	16.2	-	-	1.4	-	-	-	6.0	-	-	-	-	100.0
1958	43.1	35.9	13.6	-	-	3.5	-	-	-	9.1	-	-	-	-	100.0
1959	37.8	39.2	10.4	-	-	-	-	-	-	-	-	-	-	-	Price Group Market
	Chevrolet	Ford	Plymouth	American Motors	Mercury	Buick	Oldsmobile				Dodge	Pontiac	Others		
*1960	37.9	23.4	7.3	7.0	5.1	4.4	5.9				5.9	6.6	6.5		100.0
1961	29.1	24.3	5.5	6.8	5.7	5.3	6.0				4.1	6.8	6.4		100.0

* 1960 Revised

 Dealer Organization & Analysis Dept.
 March 7, 1962
 K.

[fol. 1942] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT CD

December 16, 1960.

Mr. Owen Keown, President
Owen Keown Chevrolet Company
Lincoln & Washington Blvds.
Venice, California

Dear Mr. Keown:

Your letter of December 6, 1960, to Mr. E. N. Cole, has been referred to me for handling. I am quoting below a reply to a letter on the same subject, received from another Chevrolet dealer in your area, made by Mr. J. M. Roche, Vice-President, General Motors Corporation, in charge of Distribution Staff:

"This will acknowledge receipt of your letter of November 28, 1960, addressed to Mr. John F. Gordon, President, General Motors Corporation, referring to the increasing number of membership discount outlets in your area of sales and service responsibility offering new General Motors cars for sale to members and their friends. As you are no doubt aware, the Car Divisions of the Corporation have received similar letters and telegrams from a number of their dealers and employes of such dealerships in different sections of the country.

"The substance of these communications, while varying in content, implies that General Motors Corporation as a manufacturer is either not aware of these practices or, that knowing about the situation refuses to recognize such practices as "unfair competition" to enfranchised dealers, as well as an unsound method for potential customers to invest in new General Motors products. Some have even suggested that General Motors condones these practices as a means of obtaining additional sales.

"All these implications are entirely unwarranted, and reflect a lack of understanding by some of the

General Motors Quality Dealer Program and the continuity of our efforts to implement the Program.

[fol. 1943] "General Motors Corporation does not and has not sold its new passengers cars and trucks for resale to any outlets other than authorized General Motors dealers. Frankly, I believe every General Motors dealer knows this, but it appears that some of their employes may not be quite as well informed.

"The reported recent expansion of the activities of so-called membership discount houses into the field of motor vehicle retail sales has been brought to our attention by members of our wholesale organizations of the Car and Truck Divisions.

"Inquiries have been made, and we are advised that these discount outlets either (1) purchase their General Motors motor vehicles from General Motors dealers for resale to members and their friends, or (2) by prearrangement with some General Motors dealers, they are in a position to make a deal with a customer for a price and then refer the customer to the General Motors dealer for delivery of the vehicle at the price established by the discount house. In the latter event, the delivering General Motors dealer reportedly pays a substantial portion of the gross profit realized on the deal to the discount establishment for division among the operator of the discount house, the operator of the automobile concession, and the automobile salesman.

"Where the motor vehicles are purchased from a General Motor dealer and resold as new-used cars, the transaction is nothing more than what has generally become to be recognized in the trade as a "bootleg" sale. On numerous occasions during the past several years, the management of General Motors Corporation has gone on record with the General Motors dealer organization expressing our deep concern with respect to this practice, which is recognized as being most detrimental to the good will which has been established over the years for, and identified with, the dealer, the manufacturer and the product.

"When a customer purchases a new-used General

Motors car from one of the so-called discount houses, he reportedly does not receive a General Motors Dealer New Car Warranty as would the original purchaser of the vehicle. Furthermore, the discount house normally provides no service facilities for the after-purchase needs of the customer. In attempting to trade upon the capital facilities of [fol. 1944] authorized dealers, the discount house seller reportedly tells the customer to take his car to any authorized General Motors dealer for his service requirements. If the purchaser is not satisfied with the service he receives from the authorized dealer, he then blames General Motors because, as an owner of a General Motors product, he expects the same high degree of service which owners of General Motors vehicles have learned to enjoy over the years from the General Motors dealer organization.

"While the management of General Motors Corporation has repeatedly pointed out the pitfalls of the "quick-profit" bootleg sale to its dealer organization, we have at the same time recognized the right of every dealer to lawfully resell his merchandise to anyone.

"On May 3, 1957, the President of General Motors Corporation sent all General Motors dealers a copy of his letter-reply to a protest against bootlegging from the Automobile Dealers Association of Indiana. The following quotation is from that letter:

'For several years it has been quite clear to those who have kept informed as to the interpretation of the antitrust laws that the Department of Justice has taken a firm position, both in statements and opinions, that any restriction upon the right of a dealer having title to motor vehicles to sell such motor vehicles to anyone, anywhere at any price, was a violation of the antitrust laws. Judicial opinions handed down over these years tended to confirm this interpretation.

'This 'right of the dealer to sell the motor vehicles to which he has title' as he pleases, is the key to these problems. It is the exercise of this right

which first moves the motor vehicles into the bootleg channel. Even if there were extenuating circumstances which motivated the movement of cars into the bootleg channel, unquestionably there are many such sales by authorized dealers made solely for the purpose of obtaining a quick profit.'

"The procedure whereby some discount outlets, which offer new cars for sale, make a deal with a customer, and then, as prearranged with an authorized dealer [fol. 1945] er, turn the transaction over to that dealer for closing and delivery of the vehicle, is being improperly characterized by some selling dealers as a "referral." Such arrangements, however, are far different from the casual practice in the industry whereby salesmen encourage referrals from friends and others who chance upon a prospective new car customer. The reports we have received indicate that these discount outlets are advertising new cars for sale at established business locations, frequently far removed from the location of the selling dealer. In effect, they in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealer Selling Agreements.

"More importantly, arrangements of this type tend to downgrade the enfranchised dealer as a new car merchant in the eyes of the public. It is difficult to understand how any dealer who has invested thousands of dollars in capital equipment to merchandise new cars can be a party to an arrangement which permits a discount outlet to discredit his merchandising ability by offering new cars for sale at purported "savings" to the customer, and then not only assume the obligation for the sale but also share his gross profit on the transaction with the discount house.

"General Motors Corporation recognizes the problems raised by the discount house new car merchandising activities in your area. They are critical problems for the public, the franchised dealers, and the manufacturers. New car sales by these outlets do not represent one iota of additional business for the deal-

er organization or the factories. They represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers who have the service facilities and trained mechanics to insure the customer's enjoyment of his investment in a new car. Most importantly, they threaten the good will of the dealer organization, the manufacturer, and the product.

"The wholesale organization of each of our Divisions will give special attention to these problems. They propose to personally discuss this matter with each of their dealers and ask them to review their operations in the light of the critical nature of the [fol. 1946] problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement.

"Let me assure you that we will continue our efforts to protect the good will of our products by every available legal means.

"I would appreciate your reviewing this letter with your salesmen, so that they will more fully understand the position of General Motors with respect to the matters outlined herein. If any of your salesmen have written or wired us on this matter, this would serve as a means of acknowledging their letters."

I assure you that Chevrolet is in complete accord with the Corporation's position on this subject and our Regional and Zone Management have been directed to discuss the subject accordingly with all Chevrolet dealers concerned.

Your letter expressing your viewpoints and concern was sincerely appreciated.

Very truly yours, K. E. Staley, General Sales Manager.

KES:gp

bcc: Mr. R. M. Cash—Pacific Coast Region, Mr. R. M. O'Connor—Los Angeles Zone, Mr. E. N. Cole.

[fol. 1946a] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Honorable CHARLES H. CARR, Judge Presiding

No. 62-1208-CC Civil

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, et al., Defendants.

Reporter's Transcript of Proceedings—August 24, 1964

[fol. 1946b] LOS ANGELES, CALIFORNIA, MONDAY,

August 24, 1964, 2:00 P.M.

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OPINION

The Court: I have made some notes, gentlemen, that I will refer to and give you my decision orally, more or less thinking it out as I go—spelling it out—giving you a general idea of the bases for my decision.

I have not had an opportunity or the time to try to write a decision by reason of a crowded calendar. So this, I suppose, might be considered a memorandum opinion, or a memorandum decision. And I doubt if it will ever be published, because I will not send it in for publication myself. But it will be in the record anyway. [fol. 1946c] I want to first say that as to both sides, all counsel, the preparation and presentation of this case has been excellent. And as you all know, somebody has to lose. And now I shall tell you who does.

The Government by this suit seeks to have the court decree that the defendants have engaged in a combination and conspiracy in unreasonable restraint of trade in violation of Section 1 of the Sherman Act. It then seeks to enjoin each of the defendants from carrying on the

alleged combination and conspiracy and, in particular, it requests that General Motors be perpetually enjoined from imposing or attempting to impose any limitation or restriction upon any General Motors' dealers in dealing with discount houses.

It is also sought to enjoin General Motors from inducing, persuading or attempting to persuade any General Motors dealer to refrain from dealing with discount houses. The prayer of the complaint further seeks to enjoin General Motors from controlling or attempting to control prices at which any dealer may sell automobiles and from attempting to exercise any restraint on the resale of automobiles by any dealer.

General Motors selects and contracts with various parties to carry on dealerships for Chevrolet automobiles. These contracts provide among other things for the [fol. 1946d] non-exclusive privilege of selling Chevrolet automobiles, parts and accessories; and, although a dealer is assigned to a particular area, he may sell Chevrolet automobiles anywhere he finds a customer.

The contract provides that the selling agreement is a personal service contract and that the dealer shall actively, aggressively, and honestly promote the sale of Chevrolet automobiles, parts, and accessories; also that he shall conduct his business in a manner which will preserve the good will of Chevrolet.

It is further provided that the dealer "shall establish a place of business at a location mutually satisfactory to the dealer and General Motors and shall not establish a branch sales office without prior written approval of Chevrolet." The dealer is also required to maintain an approved business location not only for sales but for service operations and "parts and accessories sales."

As early as 1960 complaints were beginning to reach General Motors to the effect that discount houses were selling Chevrolet automobiles in the Los Angeles metropolitan area, the area involved in this suit. Letters and some telegrams were received from dealers and their salesmen complaining of referral sales by discount houses.

General Motors became seriously concerned with the [fol. 1946e] matter of referral sales by discount houses in the latter part of 1960 and began to take steps looking

toward the termination of the referral sales by discount houses.

Losor, a trade association whose membership consisted of Chevrolet dealers, about June 28, 1960, took notice of the discount house situation and began efforts to induce General Motors to take some action respecting the matter.

At a later time, about December 15, 1960, there was a meeting of the three dealer Associations, namely: Losor, Dealers' Service, Inc., and Foothill Dealers Association, which were all comprised of Chevrolet dealers in the metropolitan area. All of these organizations were interested in persuading General Motors to bring about a termination of referral sales by discount houses.

In the meantime and prior to the meeting of the three Associations, General Motors had undertaken through its representatives to advise the various Chevrolet dealers that it considered the discount referral transactions to be contrary to the Dealer Selling Agreements.

When the dealers were contacted and the matter discussed they indicated that they would discontinue the use of the discount houses for referral sales. In several instances where purchases of Chevrolet cars had been made by representatives of one of the dealer Associations the [fol. 1946f] dealer refunded the purchase price and took back the Chevrolet automobile. The dealer organizations insist that their representatives made these purchases for the purpose of convincing General Motors that referral sales were being made by discount houses. The dealer Associations supplied the representatives of General Motors with the name of the dealer and the record of the sale which had been made.

The Government contends that because the dealer Associations endeavored to persuade General Motors that the discount house referral sales were detrimental to the dealers and General Motors undertook to terminate the referral sales by the discount houses there came into existence a combination and conspiracy in restraint of trade. The Government contends that the activities amounted to a boycott and that, being a boycott, it is per se a violation.

The contention appears to rest upon the premise that the effort to eliminate referral sales by discount houses was, in fact, directed at price control. In some instances

some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams and letters regarding the "cut-rate" or "discount price" at the discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the price at which Chevrolet automobiles [fol. 1946g] were sold since any dealer could sell at any price he desired and at any place.

It is the position of General Motors that its dealer contracts prohibit the establishment of an additional dealership or branch, and that to permit the establishment of such would be extremely detrimental not only to their method of distribution through dealerships but that their entire program of distribution would be completely destroyed.

In this it is contended that an important part of the system encompasses the product loyalty of the dealership, the facilities for parts and services, the capacity to comply with warranties and many other services that are afforded by Chevrolet dealerships but are not available at discount houses. It is also important to note that discount houses sell more than one make of automobile and necessarily are interested in the sale rather than promoting one particular make.

The Government appeared to concede during the trial, although apparently now contending otherwise, that General Motors by reason of its contractual rights could have prevented the activity of the discount houses in the beginning but that, having endeavored to induce the Chevrolet dealers to take action, a combination and conspiracy involved by reason of the at least tacit agreement of the Chevrolet dealers to refrain from doing business with [fol. 1946h] discount houses.

General Motors, on the other hand, contends that it has the legal right to require a dealer to operate from his established dealership and not to use discount houses; that General Motors in endeavoring to persuade dealers to comply with this contract was acting unilaterally and without any agreement or understanding with the dealers; and that merely because General Motors and the dealer Associations may have had the same objective in mind

it does not follow that a combination and conspiracy came into being.

To hold that parallel action or the same objective pursued by different parties necessarily establishes a combination and conspiracy, would preclude many ordinary business activities. Here it must be assumed that General Motors distributor contracts are legal and in and of themselves in no way in violation of the Sherman Act.

As heretofore pointed out, the Chevrolet dealers are free to sell at any price, to anyone, at any time. They are, however, required to maintain an established place of business which meets certain requirements of the dealership contract. Chevrolet dealers are required to make periodic reports to General Motors and to carry on business in accordance with established standards which are applicable to Chevrolet dealers generally.

[fol. 1946i] Maintenance of sales facilities, service facilities, inventory of parts, and many other matters directly affecting the distribution of Chevrolet automobiles are prescribed by the dealership contract. It is contended that the dealership relationship with customers is one of the important phases of the system and that without it the business of General Motors would suffer materially.

In this connection it is pointed out that where a referral sale is made through a discount house, although the warranty provisions relating to the car require any dealer to provide service pursuant to those warranties, the dealers generally would show little or no interest in satisfying the warranty conditions.

It is emphasized that the location of dealers is of great importance since persons requiring service usually desire to go to a dealership as near as possible to their home or business and if the dealers were not strategically located the purchasing public would be greatly inconvenienced in obtaining service at Chevrolet dealers as well as genuine Chevrolet parts.

The evidence indicates that General Motors relies heavily upon the information received from its dealers in scheduling production programs. The information received from its dealers helps make it possible to plan its production which is done far in advance of the release [fol. 1946j] of the new models each year.

From the facts of this case, it appears that General Motors is seeking to enforce a contractual obligation with its Chevrolet franchise dealers. While those agreements make many requirements of the dealers they do not limit competition among the dealers. All dealers are free to sell at any price, even at a loss, if they desire, and they may compete with other dealers in that dealer's area.

The evidence clearly discloses that Chevrolet dealers are in vigorous competition with each other in discounting the prices in the sale of Chevrolets. To insist that a manufacturer and distributor of automobiles is not permitted to select and set up standards for the operation of his dealers upon the theory that it was an unreasonable restraint of competition would result not only in the destruction of the competition which benefits the public but would probably eliminate the distributor system entirely.

Without such a system it would no doubt be impossible for a large manufacturer to plan its program for new cars each year which entails preparation and planning far beyond the concept of a person not familiar with the business.

[fol. 1946k] If *Chicago Board of Trade v. United States*, 246 US 231 means what it says, the test enunciated therein certainly applies in this case. Considering all of the factors encompassed in the relationship between General Motors and its franchise dealers and the public, it must be concluded that the dealer contracts promote rather than suppress competition, and benefit the purchasing public.

It is difficult to conclude that the exclusion of discount houses, which supply no facilities for repairs or the supply of genuine Chevrolet parts, or who fulfill warranty obligations or who do anything, in fact, except offer for sale a Chevrolet automobile—or a competing automobile if the customer indicates a preference—would constitute an unreasonable restraint of competition violative of the Sherman Act.

There is not too much conflict in the evidence respecting the alleged conspiracy. As heretofore noted, certain Chevrolet dealers and, in particular, Losor, began to call upon General Motors to bring about an end to the dis-

count house operation. Thereafter General Motors took more serious note of the situation and considered what could be done.

Finally General Motors took action and made it known through its representatives to Chevrolet dealers that the use of discount houses was, in its opinion, a [fol. 1946l] violation of the Chevrolet franchise contracts. It was not until December 15, 1960, that the three Chevrolet organizations, Losor, D.S.I. and Foothill, began to meet together for the purpose of encouraging General Motors to bring about a cessation of the discount house situation. After General Motors had made known its position, the Chevrolet dealers continued to make purchases from discount houses through shoppers and bring those transactions to the attention of officials of General Motors. When this was done the dealer would usually refund the money and take back the car which had been sold.

It is undoubtedly true that to some extent the general objective of General Motors and its dealers coincided, but General Motors was interested in maintaining and continuing its distributor system through franchised dealers and in the main the dealers were interested in preventing the referral sales of Chevrolets by discount houses, particularly since they were required to carry out all of the contract obligations to the purchasers of Chevrolet automobiles, and in many instances maintain service departments at a financial loss, which was not done by the discount houses.

It may well have been that some of the individual dealers were complaining about the discount prices of the discount houses, but the evidence in the case does not [1946m] support the conclusion that General Motors was endeavoring to maintain a price structure.

[fol. 1946n] Since General Motors was legally entitled to enforce its contracts, the mere urging of some of its dealers for assistance would not seem to change an independent action by General Motors into a combination or conspiracy.

Conspiracy has become a catch-all dragnet concept which becomes more and more expansive year by year. This tendency was commenced upon in the case of

Krulewitch v. United States, 336 U.S. 440, and, in particular, by Mr. Justice Jackson in a concurring opinion. To hold that a conspiracy arises, where a person is urged by other persons to exercise his legal rights, and he does so, would preclude communication between business organizations. In this connection the Government relies upon *United States v. Parke-Davis & Company*, 362 U.S. 29, but that case is wholly different from the case at bar.

The mere fact that General Motors brought about a result that was desired by some of the Chevrolet dealers is not sufficient to raise an inference of conspiracy. The circumstances in this case must be viewed in an environment of practicality and when that is done it is impossible for this court to conclude that a conspiracy existed. There was no reason to conspire to do what legally could be done.

Assuming that the court is correct in holding that General Motors has the legal power to enforce its dealership [fol. 1946o] contracts and to preclude the use of discount houses by its dealers, it would be a useless act for the court to restrain General Motors or the Dealer Associations from conspiring, if there were in fact a conspiracy, when the court is actually deciding that General Motors has a legal right to do what it did and that the Dealer Associations had a right to urge General Motors to do what it did. A court of equity does not do a useless act.

The court concludes that the Government has failed to produce proof to establish the allegations of its complaint and for the relief prayed for in its prayer. Judgment will be entered accordingly for the defendants.

Counsel for the defendants are directed to prepare proposed findings of fact and conclusions of law and decree pursuant to Local Rule 7.

In that connection I suggest, gentlemen, that you combine the findings into one, not two separate findings.

And I think that I might just comment and say that I have been over the findings of both the Government and the defendant dealer organizations and the defendant General Motors. And I think that on the whole that there should not be too great a difficulty—but I have no objec-

tion to including, Mr. Mitchell, all of the findings that you have, at least what might say the historical preliminary based on the facts leading up to the ultimate [fols. 1946p-1946q] findings of fact that I think from what I have read you could call the gist of my decisions. And I am convinced that you will have no trouble. But they should be reformed and put together and combined.

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[fol. 1947] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, Plaintiff,

VS.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL
CHEVROLET DEALERS ASSOCIATION, Defendants.

FINDINGS OF FACT AND CONCLUSIONS OF LAW—
September 14, 1964

[fol. 1948] This cause came on regularly for trial on June 16, 1964, before the Honorable Charles H. Carr, Judge of the above entitled Court. Plaintiff was represented by Maxwell M. Blecher of San Francisco and Robert C. Weinbaum of Washington, D. C. Defendant General Motors Corporation was represented by O'Melveny & Myers, Homer I. Mitchell, Henry C. Thurmann and Donald M. Wessling of Los Angeles; Lawler, Felix & Hall, Marcus Mattson, J. Phillip Nevins and John M. Maller of Los Angeles; and Aloysius F. Power, Robert A. Nitschke and Nicholas J. Rosiello of Detroit, Michigan. Defendants Losor Chevrolet Dealers Association; Dealers' Service, Inc.; and Foothill Chevrolet Dealers Association were represented by Hansen & Dolle and Victor R. Hansen of Los Angeles and Glenn S. Roberts of Los Angeles. Evidence, both oral and documentary, was received by the Court and the case was argued and submitted for decision.

Now, Therefore, the Court, being fully advised in the premises, hereby makes the following Findings of Fact and Conclusions of Law:

Findings of Fact

1. Stipulations of Facts Number One (Plaintiff's Exhibit 1), Number Two (GM Exhibit No. AA), and Number Three (GM Exhibit No. AZ) are limited to the period from June 1, 1960 through October 12, 1961 and all facts found herein, whether stated in the past or present tense, relate to said period unless otherwise stated.

[fol. 1949] 2. As used herein, the following terms have the meanings indicated:

(a) "Chevrolet automobiles" means all of the various series and models of new passenger cars, station wagons, and trucks sold by the Chevrolet Motor Division of General Motors Corporation under trade names including "Chevrolet," "Corvair," and "Corvette," but excluding "Chevy II" and "Chevelle."

(b) "Chevrolet dealer" means any of the persons, firms or corporations who were parties to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors Corporation.

(c) "Dealer Selling Agreement" means the written agreement (including all amendments, addenda and supplements thereto) entered into between each Chevrolet dealer and the Chevrolet Motor Division of General Motors Corporation under which such dealer purchases for resale Chevrolet automobiles and Chevrolet parts and accessories therefor from said Chevrolet Motor Division and which recites the rights, privileges, obligations and liabilities of the parties thereto in connection therewith.

(d) "Chevrolet" means the Chevrolet Motor Division of General Motors Corporation which has its principal offices in Detroit, Michigan, and which is the sole producer of Chevrolet automobiles.

(e) "Southern California area" means the Counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial, San Luis [fol. 1950] Obispo and Santa Barbara, State of California.

(f) "Los Angeles Metropolitan Area" means the following described area in the State of California:

In Los Angeles, San Bernardino and Orange Counties, that area bounded by the western and northern city limits of Los Angeles from the Pacific Ocean north and east to the northern city limits of Glendale and the Angeles National Forest Boundary. Continuing east along the Angeles and San Bernardino National Forest Boundaries including the northern city limits of Pasadena, Monrovia, Bradbury, Duarte and Azusa to the Cucamonga Creek; thence south along the Cucamonga Creek to 19th Street at the city limits of Upland, East on 19th Street to Haven Avenue; south on Haven Avenue to the Southern Pacific Railroad tracks, thence west on the railroad tracks to Archibald Avenue, south on Archibald Avenue including the city limits of Ontario to the San Bernardino County line. Thence southwest on the San Bernardino County line to the Orange County line and then southeast on the Orange County line to Santa Ana Canyon Road (Riverside Freeway); southwest on Santa Ana Canyon Road to the city limits of Anaheim. Around the city limits of [fol. 1951] Anaheim and the city limits of Orange to Santiago Blvd. Thence south and east on Santiago Blvd. to Chapman Ave., east on Chapman Ave. to Newport Ave., south on Newport Ave. to Newport Blvd. Continued southwest on Newport Blvd. including the city limits of Tustin to MacArthur Blvd., south on MacArthur Blvd. to the city limits of Newport Beach; thence southeast along the city limits of Newport Beach to the Pacific Ocean; including non-post office areas located within or without the area described above served by post office stations located within the area described above.

In addition, the following communities in Los Angeles County: Agoura, Mt. Wilson, Calabasas, Olive View, Malibu.

Including non-post offices areas served by post office stations located in the above named communities

In San Bernardino County, the community of

Mt. Baldy; including non-post office areas served by post office stations located in the community of Mt. Baldy.

In addition, the following communities in Orange County: El Toro, Silverado, Irvine, Trabuco Canyon.

Including non-post office areas served by post office stations located in the above named communities.

[fol. 1952] 3. General Motors Corporation (hereinafter "General Motors") is a corporation organized and existing under the laws of the State of Delaware with principal offices both in New York, New York, and Detroit, Michigan.

4. Losor Chevrolet Dealers Association (hereinafter "Losor") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in Losor consisted of Chevrolet dealers in Orange County or Los Angeles County, State of California.

5. Dealers' Service, Inc. (hereinafter "DSI") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in DSI consisted of Chevrolet dealers in the County of Los Angeles, State of California.

6. Foothill Chevrolet Dealers Association (hereinafter "Foothill") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in Foothill consisted of Chevrolet dealers in the Counties of Los Angeles, Riverside, or San Bernardino, State of California.

7. Losor, DSI and Foothill are independent of General Motors and are not operated, directed, controlled or guided by General Motors. Each was formed many years ago by franchised Chevrolet dealers without any solicitation or encouragement by General Motors. [fol. 1953] None of these associations engages in the sale of automobiles. Each provides services for its dealer members among which are the maintaining of an information bureau to assist dealers in making exchanges with other dealers to obtain particular Chevrolet cars of the models,

colors and equipment required to fill orders from particular customers; the providing of advertising campaigns and sales promotion activities; and the engaging in advocating the passage of legislation pertaining to motor vehicles.

8. Component parts of Chevrolet automobiles are produced by or for Chevrolet in plants located in various states of the United States, including California. These parts are shipped to various assembly plants operated at various locations in the United States, including Van Nuys and Oakland, California. While most of the Chevrolet automobiles shipped to Chevrolet dealers in the Southern California area are assembled at said Van Nuys and Oakland, California, assembly plants, some Chevrolet automobiles are shipped to such dealers from assembly plants located outside of California. Substantially all shipments of Chevrolet automobiles are made pursuant to orders placed by such dealers (a) after they have received and accepted orders from consumers or (b) in anticipation of orders to be received and sales to be made.

9. Chevrolet relies on Chevrolet dealers to provide the retail selling organization for Chevrolet automobiles. They are independent merchants who buy Chevrolet automobiles [fol. 1954] from Chevrolet for resale. These dealers are franchised to operate according to and as a part of a system for merchandising Chevrolet automobiles developed over a period of 40 years by General Motors. This franchise system is embodied in written Dealer Selling Agreements. General Motors enters into a separate agreement with each Chevrolet dealer. All of the approximately 15,000 General Motors dealers for all makes of General Motors automobiles operate under substantially identical franchise systems and enter into substantially identical Dealer Selling Agreements.

10. Under the Chevrolet Dealer Selling Agreements, a dealer may sell Chevrolets at any price and to any person anywhere he finds a customer; there is no restraint on the retail prices at which the dealer may sell or the customers to whom he may sell. Although the dealer must operate out of a place of business at a location mutually satisfactory to him and to Chevrolet, he has neither territorial exclusivity nor territorial security.

Under the Chevrolet franchise system, Chevrolet dealers are expected to compete with each other as well as with dealers in all rival makes of cars as to price and as to all other factors which may influence the public in choosing what make or model of car, where and from whom to buy. The Chevrolet Dealer Selling Agreements do not limit competition among Chevrolet dealers or between Chevrolet dealers and dealers in rival makes of automobiles.

11. The Dealer Selling Agreements restrict the Chevrolet dealer from transferring his sales obligations to others and from establishing branch sales offices at locations other than his place of business approved by Chevrolet. [fol. 1955] These restrictions do not preclude the Chevrolet dealer from soliciting customers anywhere but they do preclude such dealer from using unapproved business locations out of which to solicit the sale of Chevrolet automobiles. These restrictions were included by Chevrolet in its franchise system in response to requirements arising out of the nature and needs of the product and of the retail market and are basic to the Chevrolet franchise system.

12. The major product and market requirements which led Chevrolet to develop and adopt its franchised dealer system are as follows:

(a) The automobile is a complex, mobile product in daily family use. It cannot satisfy its owners unless adequate service and parts facilities are conveniently available. Chevrolet therefore needs to assure itself that competent service and a supply of parts are conveniently available to consumers. Satisfied customers are both the source of favorable word-of-mouth advertising and are repeat customers. The average person purchases a new car every three and one-half years and seventy per cent of Chevrolet's business comes from repeat customers.

(b) As the manufacturer of a product, Chevrolet has obligations to consumers which usually must be met in the field. Latent defects may occasionally show up in certain models only after a number of units have been sold. The owners of these models

must be traced and found and their cars repaired [fol. 1956] with dispatch. Also, mass produced cars may need minor work when they reach the dealers or their customers. Chevrolet needs dealers upon whom it can rely and who will have an incentive to find and remedy these minor defects which can be so annoying to the new car owner. Moreover, Chevrolet issues a written warranty on each new automobile. This warranty is an effective competitive sales tool only if its obligations are promptly and properly discharged at the consumer level. For each of these, Chevrolet needs a retail organization with conveniently located and competently equipped and staffed facilities which will be on the job year in and year out and whose loyalty to and interest in the continuing good will and success of Chevrolet provide an incentive to meet these obligations to the satisfaction of consumers.

(c) The nature of the automobile market is such that the volume of sales will tend to be high at some times in the year and low at others. Thus, annual model changes produce peaks and valleys. So also does severe winter weather in much of the country. An aggressive retail selling organization willing and able to create demand during the slack seasons is needed to help iron out these fluctuations.

(d) Chevrolet may face lean years by reason of business cycles in the national economy or by reason of a miscalculation in size, styling [fol. 1957] or mechanical design in annual model changes or by reason of other adverse circumstances. Chevrolet needs a retail organization which will survive such lean years so that service and parts will continue to be provided to the owners of previous as well as current models and so that there will be a retail organization in being for a comeback.

(e) The logistics for the manufacture of an automobile are complicated. They involve committing for numerous, expensive and bulky supplies, machinery and equipment long before the start of production. They require constant forward planning under varying lead times for all steps beginning from the

time a car is designed years before the start of production; continuing through all the numerous and complicated intermediate steps; and including the actual production of the finished automobile on the final assembly line. Frequent periodic readings of the nationwide market detailing current and expected sales performance are essential in matching production schedules to consumer demand. An experienced nationwide network of retail dealers who are in close contact with consumers, whose salesmen have prospect files and customer lists, and who are capable of obtaining and reporting the necessary data is essential to rational production scheduling at the factory.

[fol. 1958] 13. Chevrolet has designed its franchise system to cope with these requirements of the product and the market in order to meet the competition of its rival manufacturers and to obtain for Chevrolet continuing consumer satisfaction and thereby success in the market place. By its franchise system, Chevrolet endeavors to establish a retail organization composed of dealers who can continue to maintain an aggressive sales effort in good times and in slack times, can promote the good will of Chevrolet owners by convenient, adequate and courteous service and can perform essential functions in production scheduling.

14. The Chevrolet Dealer Selling Agreements which embody Chevrolet's franchise system grant to the dealer the non-exclusive privilege of selling new Chevrolet automobiles, parts and accessories sold to the dealer by the Chevrolet Motor Division and, in connection therewith, of displaying the various Chevrolet trademarks. In return for this privilege, the dealer agrees, among other things:

(a) That the Dealer Selling Agreement is a personal service contract entered into by Chevrolet with the dealer in reliance upon and in consideration of the personal qualifications of the dealer and the persons named as those who will actively participate in the ownership or operation of the dealership.

(b) That the dealer shall actively, aggressively and

honestly promote the sale of Chevrolet automobiles, parts and accessories.

(c) That the dealer shall conduct his business in a [fol. 1959] manner which will preserve the good will of Chevrolet.

(d) That the dealer shall not transfer his sales obligation to others without the written consent of Chevrolet.

(e) That the dealer shall establish a place of business at a location mutually satisfactory to the dealer and Chevrolet and shall not establish a branch sales office without prior written approval of Chevrolet.

(f) That the dealer shall maintain at his approved business location facilities adequate in size and layout for sales and service operations and for parts and accessories sales.

(g) That to enable Chevrolet to establish production schedules and to place orders with its suppliers on the basis of the lead time normally required in the automobile mass production industry, the dealer shall furnish Chevrolet ten-day sales and inventory reports and each month shall furnish an estimate of his requirements of new Chevrolets for each of the three succeeding months.

(h) A Metropolitan Area Addendum is made a part of the Dealer Selling Agreement of each dealer located in a metropolitan area of over 50,000 population in which two or more Chevrolet dealers have common sales and service responsibilities. It recites that Chevrolet has determined the maximum number and geographical locations of dealer points to be located in the area. Chevrolet agrees that if dealer points are to be increased in number or [fol. 1960] changed in location, it will give each dealer in the metropolitan area sixty days' written notice and an opportunity to be heard.

15. In administering its franchise system, Chevrolet is confronted with the following problems peculiar to competition in the automobile industry:

(a) To compete successfully over the long term, Chevrolet dealers' sales, service and parts facilities

must be located conveniently to consumers. The location of dealers is of great importance since persons requiring service usually desire to go to a dealership as near as possible to their home or business and if dealers are not strategically located, the purchasing public will be greatly inconvenienced in obtaining service at Chevrolet dealers as well as genuine Chevrolet parts.

(b) The performance of the obligations imposed by a Chevrolet Dealer Selling Agreement requires a substantial capital investment. In the Los Angeles Metropolitan Area the capital investment in Chevrolet dealerships ranges from a minimum of approximately \$70,000 to a maximum of approximately \$1,500,000.

(c) The proper performance of the service and parts obligations imposed by the Chevrolet Dealer Selling Agreement contributes importantly to customer good will and the overall profitability of a dealership. However, analyzed on a departmental basis and allocating to the service and parts departments their share of the dealership administrative expenses, those departments of the Los Angeles Metropolitan Area dealers generally operated at a loss. As shown by an independent study made on this basis by Price Waterhouse & Co., the typical Chevrolet dealership in the Los Angeles Metropolitan Area incurred an annual loss in the 1960 operation of its service and parts departments of approximately \$14,000.

(d) Reasonably prudent businessmen will not undertake such required capital investment nor will they undertake the performance of the service and parts functions unless the overall operation of the dealership affords a reasonable profit opportunity.

(e) The existence of such a reasonable profit opportunity depends upon the availability to each dealership of a sales potential which, if achieved, would be sufficient (i) to enable the dealer to perform his service and parts obligations; (ii) allow him to meet the overhead expense of his entire operation; (iii) provide him with a fair compensation for his services

rendered; and (iv) provide him with a reasonable return on his total investment in the dealership.

16. Chevrolet endeavors to appoint the right number of dealers located in the right places to satisfy the requirements of the product and the market described in Paragraph 12 of these Findings of Fact and to deal with the problems described in Paragraph 15 of these Findings of Fact. This is done on the basis of comprehensive studies which General Motors has developed over a period of 40 years and in which, briefly stated, Chevrolet does the following:

(a) Detailed field surveys are made of the area by trained survey teams which use extensive population, geographic and market research data as [fol. 1962] well as detailed analyses of motor vehicle registration data for the area to determine the number and locations of dealers which will provide convenience of sales, service and parts facilities to the public.

(b) The motor vehicle registration data for a representative period of years furnishes a basis for predicting the sales and service potential of each community and neighborhood in the area based on a count of sales made in those years of Chevrolets and competitive makes of automobiles and on a census of the Chevrolet automobile population in the area.

(c) Based on information and experience previously gained in the area over a representative period of years and on a detailed study of the facilities and investments required to satisfy the sales and service needs of the area, Chevrolet then appoints what its studies indicate will be the right number of dealers at the right locations to provide aggressive and competitive sales effort; to provide each dealer a fair profit opportunity; and to provide consumers with convenient sales, service and parts facilities.

17. The location restriction of the Dealer Selling Agreements prevents dealers from nullifying Chevrolet's

planned location of the right number of dealers in the right places. This restriction provides for each dealer an advantage of location convenience in his neighborhood and thereby gives him a "head start" in a market of sufficient sales potential to provide him a fair profit opportunity. [fol. 1963] A Chevrolet dealer's location advantage does not protect him from the competition of other Chevrolet dealers who may sell at any price, to anyone, anywhere. As demonstrated by General Motors' experience over the last 30 years, if there were no location restriction and if other dealers were free to establish sales outlets in the neighborhood of an established dealer, the sales potential of an area adequate only for one outlet (as indicated by General Motors' market surveys) would be divided among several outlets and even though the one dealer were fully competitive as to sales, service, parts and price, it would no longer be profitable for him to remain in business. Under these circumstances, it would be difficult to persuade another dealer-investor to replace him. Thus Chevrolet would lose the competitive advantage of having a sales, service and parts facility in a neighborhood where one was needed to satisfy the product and market requirements described above in Paragraph 12.

18. In the early summer of 1960, some Chevrolet dealers in the Southern California area were selling new Chevrolets pursuant to agreements or understandings with some discount houses and referral services. Pursuant to these agreements or understandings, the discount houses and referral services performed many of the merchandising functions normally performed by Chevrolet dealers. These functions included one or more of the following: Providing an established business location which served as a point of contact with potential Chevrolet customers; referring potential customers to dealers who had agreed in advance to quote such customers prices based on specified mark-ups over the dealers' invoice [fol. 1964] costs; taking orders for new Chevrolets; negotiating with potential customers on the prices, terms and conditions of sale for new Chevrolet automobiles; negotiating price allowances for trade-ins; and delivering new Chevrolet automobiles to purchasers. In every case, the sale of the new Chevrolet automobile to the customer was

made by the Chevrolet dealer through the discount house or referral service with title passing directly from the dealer to the customer. In no case did the dealer sell to the discount house or referral service and in no case did the discount house or referral service make a resale.

19. Each such discount house or referral service operated from a business location removed from the authorized location of the Chevrolet dealer in the sale of whose cars the discount house or referral service performed merchandising functions. Most were actually merchandising locations for wares of many sorts and advertised themselves as outlets or locations where people could go to buy Chevrolets. Such stores, or their concessionaires, operated new car sales departments which distributed Chevrolet promotional literature to prospective customers in the same manner as Chevrolet dealers. Some used Chevrolet's trademarked insignia. Some displayed new automobiles, including Chevrolets. These stores in fact were outlets or locations for the merchandising of new Chevrolets in addition to the outlets whose number and location had been determined by Chevrolet as necessary for the proper operation of its franchise system.

[fol. 1965] 20. The practice of selling Chevrolet automobiles through discount house or referral service outlets engaged in by some Chevrolet dealers has the same effect as the direct establishment by these dealers of branch sales offices without the approval of Chevrolet. Another outlet in the same area is another point of contact with local customers that would attract and be able to sell a certain per cent of the potential customers in the area even though the existing outlets in the area were fully competitive as to prices. As the number of outlets in an area increases, the opportunity to obtain the area's business decreases for each of the outlets operating in the area.

21. Seventy per cent of all the Chevrolet dealers in the Los Angeles Metropolitan Area had from one to five discount house or referral service outlets located within five miles of their dealerships performing merchandising functions for Chevrolet dealers who in most instances were located far away from such outlets.

22. As shown by an independent study made by Price

Waterhouse & Co., a small reduction in the volume of new car sales will result in a disproportionately large reduction in overall operating profit because a substantial proportion of the total expense of a Chevrolet dealership is relatively fixed. For example, an approximate reduction of 12% in new passenger car sales volume would result in the elimination of all operating profits for the typical Los Angeles Metropolitan Area Chevrolet dealerships having an annual sales volume of 250 to 350 new vehicles. Furthermore, an approximate reduction of 33% in new car sales volume would have the same or worse [fol. 1966] results for all of the typical classes of Los Angeles Metropolitan Area Chevrolet dealerships having an annual sales volume of less than 750 new vehicles. Approximately 40% of the Chevrolet dealerships in the Los Angeles Metropolitan Area had an annual sales volume of less than 750 new vehicles. In the Los Angeles Zone, 61% of the Chevrolet dealers had an annual sales volume of less than 750 new vehicles.

23. Prudent dealers failing to make a fair profit would cease doing business long before their operating profits were eliminated. The failure to restrict the use of discount houses or referral services as outlets for new Chevrolet cars would, in time, cause the withdrawal from business of a substantial number of Chevrolet dealers. This would result in the haphazard location of the remaining dealerships, would leave large and important market areas in which Chevrolet's only representation would be by discount houses or referral services and competition would be impaired.

24. The discount houses and referral services do not provide Chevrolet with the kind of retail selling organization needed to cope with the requirements of the product and market described in Paragraph 12 of these Findings of Fact.

(a) They have no service or parts facilities and therefore cannot provide convenient service to Chevrolet owners residing or traveling in their area. Neither can dealers using discount houses or referral services as sales outlets provide convenient service because they are usually located at a distance from

such outlets. The discount houses or referral services [fol. 1967] and the distant selling dealers who use these outlets in fact relied on the existence of convenient service facilities provided by nearby Chevrolet dealers. Their own ability to sell Chevrolets by this means in these areas would be seriously curtailed by the disappearance of the convenient facilities of these dealers because the resulting gaps in service facilities inevitably would injure customer good will toward Chevrolet.

(b) Discount houses and referral services do not promote Chevrolet sales, but instead take orders for any make of cars. They do not promote sales of Chevrolet automobiles during slack periods of the year or during lean years. Chevrolet therefore cannot depend upon discount houses or referral services to provide the active and aggressive sales effort needed year in and year out.

(c) Having no legal relationship with Chevrolet, discount houses or referral services cannot be relied upon to provide the factory with the accurate and first-hand market information needed for orderly production scheduling. Dealers using discount houses or referral services as sales outlets would not be close enough to the market to provide the needed information.

(d) Having no particular stake in Chevrolet's continuing good will or the facilities or personnel to perform the services necessary to preserve that good will, discount houses or referral services cannot be relied upon to perform the tasks required in correcting latent defects, remedying minor mechanical problems and carrying out warranty obligations. The [fol. 1968] dealer using the discount houses or referral services as sales outlets is too far removed from the customer to perform or be sufficiently concerned about the proper performance of these important tasks.

Competition with other makes of cars would thereby be impaired.

25. The use by Chevrolet dealers of discount houses or referral services as sales outlets for new Chevrolets defeats an important objective of the Chevrolet franchise system and is in derogation of the system. Such arrangements have a greater inimical effect on such system than the establishment of dealer-controlled branch sales offices. They can be established and quickly multiplied with no investment in facilities and with no overhead burden. The quality of their personnel is accidental. They are a way of accomplishing that which is directly prohibited by Paragraph 6 of the Dealer Selling Agreement. Said Paragraph 6 reads, in part, as follows:

"... Once Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business, including any used car and/or truck lot or location without the prior written approval of Chevrolet."

The purpose of Paragraph 6 is to prevent dealers from impairing the location advantage of each dealership point upon which maintenance of the system is based by restricting Chevrolet dealers from selling new Chevrolet cars [fol. 1969] from merchandising locations other than those established in accordance with the Chevrolet franchise system.

26. The use by Chevrolet dealers of these outlets also defeats the purpose of the provisions of the Dealer Selling Agreement which prohibit each dealer from transferring or assigning to third parties his sales and service obligations and which provide that the Dealer Selling Agreement is a personal service contract entered into by Chevrolet in reliance upon the personal qualifications of the dealer. The purpose of these provisions is to prevent Chevrolet's good will from falling into the hands of persons unqualified to carry out the requirements of the franchise system and having no incentive to represent Chevrolet aggressively and loyally.

27. The practice by a Chevrolet dealer of using discount houses or referral services as sales outlets for his

sales of Chevrolet automobiles is in derogation of the purposes of the Chevrolet franchise system and violates the Chevrolet Dealer Selling Agreement.

28. There was an average of five other Chevrolet dealers located within five miles of each of the 85 Chevrolet dealer locations in the Los Angeles Metropolitan Area. There is intense intrabrand competition among Chevrolet dealerships. This competition takes various forms, including advertising, sales technique, service performance and selling price. Different dealers emphasize different forms of such overall competition.

[fol. 1970] 29. All Chevrolet dealers in the Los Angeles Metropolitan Area engage in intense competition with dealers in other makes of cars in the Chevrolet price class. There was an average of 22 dealers selling competing makes of new cars (exclusive of competing General Motors makes) who were located within five miles of each of the 85 Chevrolet dealers in the Los Angeles Metropolitan Area. There is intense interbrand competition among all dealerships for all makes of automobiles in the Chevrolet price class.

30. Restricting dealers from selling through discount houses or referral services does not limit price competition. All dealers are free to sell at any price to any customer anywhere and the number and location of Chevrolet dealers in the Los Angeles Metropolitan Area offer convenient opportunity and adequate choice to potential customers for Chevrolet automobiles to shop the dealers in the area for the most competitive deal. The number and proximity to each Chevrolet dealer of other Chevrolet dealers as well as dealers in rival makes gives the price-conscious purchaser the freedom and ability to pit the price of one dealer against the prices of the others and to give his patronage to the dealer who offers him the best price.

31. Chevrolet dealers were in vigorous competition with each other in discounting prices in the sale of Chevrolets. As shown by an independent study made by Price Waterhouse & Co. there was no appreciable difference between [fol. 1971] the prices paid by customers who purchased Chevrolet passenger cars from a dealer through a discount house or referral service and the prices paid by ordinary retail customers who purchased directly from that dealer.

The evidence in this case does not support the conclusion that General Motors was endeavoring to maintain a price structure in the sale of Chevrolet automobiles.

32. On the other hand, some of the arrangements whereby new cars were sold through discount houses or referral services interfered with price competition between Chevrolet dealers who were parties to such arrangements and between Chevrolet dealers and those dealers in competing makes who were parties to such arrangements. Several referral services which had such arrangements with several Chevrolet dealers as well as with dealers in other makes of cars made it a practice to emphasize that new cars were available at their locations on a non-negotiable, one-price basis. One of the referral services advertised that it had "controlled prices" at which customers could purchase new Chevrolets and other new cars. It instructed Chevrolet salesmen who handled the referred customers at the Chevrolet dealerships to refuse to negotiate on price and to quote one price on a "take it or leave it" basis. Another referral service required each dealer to sign a standard form of letter agreement under which the dealer agreed to sell his cars to referred customers at a specified price which was stated as a specified amount above the dealer's invoice cost. The price quoted in said standard form of letter agreement [fol. 1972] was signed by competing Chevrolet dealers who were using said referral service, was identical and remained fixed over the full model year. Said referral service required the dealers to furnish invoices of sales made to referred customers and regularly checked these to see that the agreed price was maintained by the dealers in respect of all customers referred by said referral service. A substantial number of the sales made by Chevrolet dealers during 1960 through discount houses and referral services were made pursuant to said non-negotiable, one-price, non-competitive arrangements with said referral houses.

33. The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers

with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other.

34. Beginning in the summer of 1960, defendant Losor, through some of its dealer-members complained to personnel at the Chevrolet Los Angeles Zone Office about the sale of Chevrolets by some dealers through discount houses or referral services and sought to induce General Motors [fol. 1973] to take some action respecting such selling. The Zone Office personnel at that time informed the complaining dealers and some of the dealers selling through discount houses or referral services that although said personnel considered the practice inimical to the Chevrolet franchise system, they had no authorization from their superiors in Detroit to take any action to stop such selling.

35. At a meeting of Losor on November 10, 1960, the Chevrolet dealers there present agreed to write letters or send telegrams and attempt to have their salesmen write letters or send telegrams to General Motors asking that something be done regarding the (discount house) situation. Some such letters and telegrams were sent by members of Losor and their salesmen by reason of such encouragement by Losor, and some were sent independently upon the writer's own initiative. Some members did not send any letters, and some were written by salesmen without the knowledge or consent of the dealer by whom such salesmen were employed. There was no form of letter proposed by Losor, and each member acted independently in composing and sending such letters and telegrams. In encouraging dealer-members and their salesmen to cause letters and telegrams to be sent to officials of General Motors Corporation, Losor sought to bring the facts surrounding the discount house and referral service merchandising of Chevrolet automobiles to the attention of policy-making officials of General Motors in Detroit.

[fol. 1974] 36. The problem of the use of discount houses and referral services as a regular practice by some Chevrolet dealers was first brought to the attention of the General Motors executives in Detroit charged with the responsibility of formulating distribution policy for all car divisions when, in November, 1960, said Central Office executives received a large number of letters and telegrams from dealers and salesmen in the Southern California area. After in-

investigating and reviewing developments in the use of discount house and referral service outlets throughout the United States, including obtaining a report from the Chevrolet Los Angeles Zone Office detailing the facts as then known regarding the practices in that area, the Corporation's policy concerning General Motors dealers' use of discount houses and referral services was formulated under the direction of the Vice President of General Motors in charge of distribution and approved by the President of the Corporation on or before December 14, 1960. Thereafter, between December 15 and 30, 1960, the policy was announced in substantially identical letters written to every General Motors automobile dealer in the United States including Cadillac, Oldsmobile, Buick and Pontiac as well as Chevrolet dealers. These letters expressed General Motors' opposition to arrangements by dealers with discount houses and referral services in light of the franchise system of distribution and the provisions of the General Motors Dealer Selling Agreements. Simultaneously, General Motors personnel were instructed to meet with each General Motors dealer in the United States to review such policy letter for the purpose of attempting to induce and persuade each General Motors dealer to refrain from entering into arrangements for the sale of new General [fol. 1975] Motors cars through discount houses and referral services in violation of the Dealer Selling Agreements.

37. The sole motivation for the announced policy and for the instructions given the General Motors personnel was the preservation of the General Motors franchise system, which the Dealer Selling Agreements were designed to effectuate. The General Motors executives in Detroit regarded the arrangements made by dealers for the sale of new General Motors automobiles through discount houses and referral services as violative of their individual Dealer Selling Agreements. Said executives adopted the policy and issued the instructions to the General Motors personnel with respect to discount house and referral service arrangements on the basis of their long experience in the marketing of automobiles and their conclusion that the practice of the use by dealers of discount house or referral service outlets did not give General Motors the retail representation it

needed and would in time result in the destruction of the General Motors franchise system.

38. In some instances, some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams about the "cut rate" or "discount price" offered on sales by dealers through discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the prices at which Chevrolet automobiles were sold since any dealer could sell at any price he desired to any customer anywhere.

39. In carrying out the instructions received from the General Motors Central Office, Chevrolet personnel met [fol. 1976] with each Chevrolet dealer in the Los Angeles Metropolitan Area individually and endeavored to induce and persuade each such dealer to refrain from the practice of selling new Chevrolets through discount houses or referral services. Consistent with longstanding General Motors policy, the Chevrolet personnel were not instructed to and did not threaten the termination of any dealer's Dealer Selling Agreement, but instead attempted to persuade each dealer to conduct himself in conformance with the obligations of the Dealer Selling Agreement.

40. On December 15, 1960, General Motors had already formulated its policy concerning General Motors dealers' use of discount houses and referral services. On said date Losor, Foothill and DSI representatives met for the first time with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services. At that meeting, Losor dealers advised the representatives of Foothill and DSI of said practice and a committee representing the three defendant dealer associations was appointed to investigate the matter and report back at a later meeting. At said meeting, consideration was also given to advocating legislation which would regulate selling through discount houses and referral services.

41. During the early part of 1961, the three defendant associations, without any prior knowledge or request by General Motors, authorized an investigation to be made to determine if Chevrolet dealers in the Southern California Zone were in fact complying with the provisions of their respective Dealer Selling Agreements and the announced [fol. 1977] policy of General Motors Corporation pertain-

ing to selling through discount houses and referral services. The investigation was also to be made to secure information to determine if sales made through discount houses or referral services were in compliance with the Motor Vehicle Code of the State of California in order that this information could be submitted to the California State Legislature, then in session, in support of a bill to establish an Automobile Dealers Commission to license automobile dealers and their salesmen. Such investigation was made and in the course thereof shoppers were used and certain Chevrolet automobiles were purchased from Chevrolet dealers selling through discount houses.

42. After the commencement of said investigation, the three defendant dealer associations advised the Los Angeles Chevrolet Zone Manager that they were willing to make available to him the information obtained through the shoppers and he asked that they do so, believing that the employees of some Chevrolet dealers might be selling Chevrolet automobiles through discount houses or referral services without the dealer's knowledge. With such information he intended to go back to those dealers and endeavor to persuade them to conduct themselves in conformance with their obligations under the General Motors Dealer Selling Agreements relating to the use of discount houses or referral services as sales outlets. Between late February and early May 1961, the defendant dealer associations purchased seven new Chevrolets through discount houses. The defendant dealer associations supplied the Los Angeles Chevrolet Zone Manager with the name of each selling dealer and the record of each sale and at his direction the Zone Office personnel informed each dealer who had sold one of these shopped cars that the car had been sold [fol. 1978] through a discount house or referral service and asked said dealer whether he wished to repurchase the car. This was done as an effective method of bringing to the attention of the dealer the fact that his dealership was continuing to operate in violation of the Dealer Selling Agreement. In each instance, the dealer repurchased the car.

43. In attempting to persuade General Motors to take some action to bring about the termination of the practice of some dealers of selling through discount houses or re-

ferral services and in bringing to the attention of General Motors information obtained by shoppers in 1961 that some dealers were continuing to sell through discount houses or referral services, the defendant dealer associations acted in furtherance of the interests of their dealer-members who were parties to Dealer Selling Agreements with General Motors which obligated all Chevrolet dealers to refrain from selling through discount houses or referral services. They did not act in combination, conspiracy or concert with General Motors. There was no agreement between the defendant dealer associations, or any of them, and General Motors as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services.

44. There was no express or implied agreement between defendant associations or between any of them and any of their dealer-members that any of said dealer-members should refrain from selling through discount houses or [fol. 1979] referral services. At no time did any of the defendant dealer associations impose any sanctions or withdraw any association privileges from any member, director or officer of said associations engaged in selling through discount houses or referral services. At all times members of said associations who engaged in selling through discount houses or referral services, received all of the benefits of association membership including use of the information bureau to assist dealers in making exchanges of cars with other dealers, without restriction or discrimination of any nature and without any coercion or sanctions directed at such members by any of said defendant associations to compel them to discontinue such selling practice. Some of the dealers supplying the greatest volume of sales through discount houses and referral services were, in fact, elected officers and directors of the defendant associations during such period of time.

45. In attempting to persuade individual Chevrolet dealers in the Los Angeles Metropolitan Area to refrain from selling new Chevrolets through discount houses or referral services, and in accepting information as to shopped cars and offering them to the dealers who sold them in order to bring to the attention of such dealers the fact

that their dealerships were continuing to operate in violation of the Dealer Selling Agreements, General Motors acted independently in furtherance of its own interests in procuring the conformance of individual Chevrolet dealers to the obligations of their Dealer Selling Agreements and thereby preserving the Chevrolet franchise system. General Motors had no agreement with its Chevrolet dealers [fol. 1980] other than the Dealer Selling Agreements and it had no agreement with any dealer association. Such action was taken independently and unilaterally by General Motors with respect to each Chevrolet dealer individually, to obtain compliance by each dealer with the obligations he had undertaken in his Dealer Selling Agreement and such action was not taken by General Motors by combination, conspiracy or concert of action with Chevrolet dealers or any of them or with defendants Losor, Foothill or DSI or any of them.

Conclusions of Law

1. The provisions of the Chevrolet Dealer Selling Agreements prohibiting Chevrolet dealers from transferring their sales obligations to others and from establishing a branch sales office without approval of Chevrolet were ancillary to a lawful plan adopted by Chevrolet for the competitive merchandising of Chevrolets and are reasonable. Said provisions are restrictions which promote competition between Chevrolet and its rival manufacturers, between Chevrolet dealers and dealers in rival makes of cars and between Chevrolet dealers. These provisions do not constitute an unreasonable restraint of competition, are not contracts in unreasonable restraint of trade or commerce and do not violate Section 1 of the Sherman Act.

2. In each Dealer Selling Agreement, there is an implied obligation of good faith and fair dealing and that the parties will do nothing to affect adversely the objects of the [fol. 1981] agreement. Arrangements by a Chevrolet dealer with discount houses or referral services whereby they performed merchandising functions in the sale of the dealer's Chevrolet automobiles at business locations not approved by Chevrolet defeated the requirements of his Dealer Selling Agreement that the dealer not transfer his sales obligations to others and that he not establish branch sales offices without the approval of Chevrolet.

Such conduct by a Chevrolet dealer constituted the doing of that which the dealer had agreed not to do directly and affected adversely the attainment of the objects of the Dealer Selling Agreement. Said conduct was violative of the obligations of the Chevrolet dealer under his Dealer Selling Agreement with Chevrolet. Said provisions of the Dealer Selling Agreement do not constitute an unreasonable restraint of competition, and are not contracts in unreasonable restraint of trade or commerce and do not violate Section 1 of the Sherman Act.

3. General Motors lawfully attempted to persuade and had the legal right to require Chevrolet dealers in the Southern California area to refrain from the practice of selling Chevrolets through discount houses and referral services and thus to conform to the provisions of their Dealer Selling Agreements.

4. General Motors acted solely in its own interests in including in its Dealer Selling Agreements the provisions prohibiting the transfer of the dealer's sales obligations and the establishing of unapproved branch sales offices, in requiring its dealers to agree to such provisions as a [fol. 1982] condition of their franchises, and in seeking the conformance of all General Motors dealers to the provisions of their Dealer Selling Agreements. Although the fact of the increasing use by dealers of discount houses and referral services as sales outlets for Chevrolet automobiles was called to the attention of General Motors by Chevrolet dealers in the Southern California area, General Motors did not act jointly or in combination, conspiracy or concert of action with said dealers or with Losor, DSI or Foothill or in aid of said dealers, Losor, DSI or Foothill. General Motors acted independently and unilaterally as to each dealer individually and solely in its own interests in aid of its franchise system.

5. Since General Motors was legally entitled to enforce its Dealer Selling Agreements, its independent action was not changed into a combination or conspiracy because such action was requested by some dealers or defendant dealer associations or because some dealers or defendant dealer associations brought to its attention transactions which violated those contracts. To hold that a conspiracy arises where a person is requested by other persons to exercise

his legal rights and he does so, would preclude legitimate communication between business organizations. The mere fact that General Motors brought about a result that was desired by some of the Chevrolet dealers is not sufficient to raise an inference of conspiracy.

6. Defendant General Motors, Losor, DSI and Foothill and the alleged co-conspirators did not engage in a group boycott of discount houses or referral services. The fact [fol. 1983] that General Motors and each of its Chevrolet dealers in the Southern California area had entered into a Dealer Selling Agreement by which the dealer was restricted from transferring his sales obligations to others and from establishing branch sales offices at locations other than his place of business approved by Chevrolet and that the effect of such restrictions was to prohibit the dealer from entering into arrangements for the sale of Chevrolet cars through discount houses did not constitute a group boycott of discount houses or referral services. Said restrictions in each of said agreements were lawful and the fact that there was more than one agreement and that General Motors induced and persuaded all Chevrolet dealers in the Southern California area to abide by said restrictions in their agreements and that all said dealers abided by said restrictions did not constitute a group boycott by said dealers or by General Motors and said dealers or by any of defendants.

7. General Motors did not engage in any combination or conspiracy with defendants Losor, DSI or Foothill or with any of the alleged co-conspirators whether consisting of a continuing agreement, understanding or concert of action with said defendants or with alleged co-conspirators or otherwise to suppress or eliminate competition in the sale or distribution of Chevrolets in the Southern California area in unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act, or otherwise.

8. Defendants Losor, DSI and Foothill did not engage in any combination or conspiracy with each other or with [fol. 1984] General Motors or with any of the alleged co-conspirators whether consisting of a continuing agreement, understanding or concert of action with or among said defendants or with said alleged co-conspirators, or otherwise, to suppress or eliminate competition in the sale or

distribution of Chevrolets in the Southern California area in unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act, or otherwise.

9. The Government's proof failed to support the allegations of its complaint.

10. Defendants are entitled to judgment that plaintiff take nothing by its action.

Dated: Sept. 14, 1964.

Charles H. Carr, Judge.

Approved as to form as provided in Rule 7(a) of the Rules of the United States District Court for the Southern District of California.

—, —, Attorney for Plaintiff.

Received copy of the within Findings of Fact and Conclusions of Law this 31st day of August, 1964.

Maxwell M. Blecher, Attorney for Plaintiff.

[fol. 1985] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL
CHEVROLET DEALERS ASSOCIATION, Defendants.

JUDGMENT—Filed September 14, 1964 and entered September 15, 1964

[fol. 1986] This cause came on regularly for trial on June 16, 1964, before the Honorable Charles H. Carr, Judge of the above-entitled Court and the issues having been duly tried and the Court having made its findings of fact and conclusions of law, Now, Therefore, in accordance with said findings of fact and conclusions of law,

It is Ordered, Adjudged and Decreed that plaintiff take nothing by this action.

Dated: Sept. 14, 1964

Charles H. Carr, Judge.

Approved as to form as provided in Rule 7(a) of the Rules of the United States District Court for the Southern District of California.

—, —, Attorney for plaintiff.

Received copy of the within Judgment this 31st day of August, 1964.

Maxwell M. Blecher, Attorney for plaintiff.

[fol. 1987] IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF CALIFORNIA

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NOTICE OF ENTRY OF JUDGMENT—September 15, 1964

62-1208 CC

Re: U.S.A. vs. General Motors Corp., et al

You are hereby notified that Findings of Fact, Conclusions of Law & Judgment in each of the above-entitled cases was entered in the docket on Sept. 19, 1964.

When the time for appeal has expired (without appeal being taken), it will be appreciated if counsel will arrange for pick-up of their exhibits without further notice, pursuant to Local Court Rule 20.

I hereby certify that this notice was mailed on Sept. 15, 1964.

Clerk, U.S. District Court, By E. Guerrero, Deputy Clerk.

P.S. The court revised page 27 of the proposed findings & substituted a new page, a copy of which is inclosed; the only other change was the insertion at the end of paragraph 8 of the conclusions, a new paragraph 9 reading "The Government's proof failed to support the allegations of its complaint." The final paragraph: number was changed from "9" to "10". No change made in the form of judgment.

8/64—2,000

[fol. 1988] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil No. 62-1208-CC

UNITED STATES OF AMERICA,

v.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE, INC.; AND FOOTHILL
CHEVROLET DEALERS ASSOCIATION.

NOTICE OF APPEAL TO THE SUPREME COURT OF THE UNITED
STATES—Filed November 12, 1964

I. Notice is hereby given that the United States of
America appeals to the Supreme Court of the United
States from the final judgment entered in this action on
September 15, 1964.

This appeal is taken pursuant to the provisions of 15
U.S.C. 29.

II. The Clerk will please prepare a transcript of the
record in this case for transmission to the Clerk of the
Supreme Court of the United States and include in said
transcript the entire record of the proceeding.

III. The following question is presented by this appeal:

Whether an arrangement between General Motors
Corporation and all its franchised Chevrolet dealers
in the Southern California area whereby the latter un-
dertook not to sell new automobiles through discount
houses or referral agencies violated Section 1 of the
Sherman Act.

/s/ Lionel Kestenbaum, /s/ Robert C. Weinbaum,
Attorneys, Department of Justice, Washington,
D.C.

[fol. 1989] Certificate of Service, (omitted in printing)

[fol. 1990] SUPREME COURT OF THE UNITED STATES, OCTOBER
TERM, 1964

No. 820

UNITED STATES, Appellant,

v.

GENERAL MOTOR CORPORATION, et al.

Appeal from the United States District Court for the
Southern District of California.

ORDER NOTING PROBABLE JURISDICTION—March 15, 1965

The statement of jurisdiction in this case having been
submitted and considered by the Court, probable juris-
diction is noted.

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In the Supreme Court of the United States

OCTOBER TERM, 1964

No. —

UNITED STATES OF AMERICA, APPELLANT

v.

**GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.; AND
FOOTHILL CHEVROLET DEALERS ASSOCIATION**

**ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR
THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION**

JURISDICTIONAL STATEMENT

OPINION BELOW

The oral opinion of the district court (Appendix A, *infra*, pp. 1a-11a) and its findings of fact and conclusions of law (Appendix B, *infra*, pp. 12a-43a) are not reported.

JURISDICTION

The final judgment of the district court was entered on September 14, 1964 (Appendix C, *infra*, p. 44a). The notice of appeal was filed on November 12, 1964. The jurisdiction of this Court is conferred by Section 2 of the Expediting Act of February 11,

1903, 32 Stat. 823, as amended, 15 U.S.C. 29. *United States v. Parke, Davis & Co.*, 362 U.S. 29; *United States v. Loew's Inc.*, 371 U.S. 38.

QUESTION PRESENTED

Whether an arrangement between the General Motors Corporation and all its franchised Chevrolet dealers in the Southern California area whereby the latter undertook not to sell new automobiles through discount houses or referral services violated Section 1 of the Sherman Act.

STATUTE INVOLVED

Section 1 of the Sherman Act, 26 Stat. 209, as amended, 50 Stat. 693, 69 Stat. 282, 15 U.S.C. 1, provides in pertinent part:

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal * * *.

STATEMENT

This is a direct appeal from a final judgment of the district court dismissing after trial a government civil antitrust suit against General Motors Corporation ("General Motors") and three trade associations representing all of General Motors' franchised Chevrolet dealers in the Southern California market area (R. 2-3).¹ The complaint (R. 2-9), filed on Au-

¹ The government also filed a companion criminal case based on the same events. That case, which was tried first, resulted in a directed verdict of acquittal. *United States v. General Motors Corporation, et al.*, 216 F. Supp. 362 (S.D. Cal.).

gust 30, 1962, alleged that since the summer of 1960 the defendants had engaged in an unlawful combination and conspiracy to induce and persuade Chevrolet dealers to refrain from selling Chevrolet automobiles through discount houses and so-called referral services (R. 6-7).

1. The facts are largely uncontradicted. In 1957 a number of Chevrolet dealers in the Southern California area began selling new Chevrolets through discount houses and referral services at prices much below the usual dealer's price—often for only \$165.00 more than the dealer's invoice cost (G.X. 185; see also G.X. 12), a price that many dealers complained they could not meet (see, *e.g.*, G.X. 12, 14, 32, 39, 50). All of the discount and referral services involved in this case were operated by independent third parties (*e.g.*, Appendix A to Reporter's Transcript, pp. 2, 100, 127, 169, 170), who merely leased or rented desk space on the premises of such discount department stores as Federal Employees Distributing Company ("FEDCO") (see G.X. 185) and G.E.M. Stores, Inc. ("GEMCO") (*ibid.*). These discount outlets handled a wide variety of makes and models of new automobiles of different manufacturers, including General Motors (G.X. 12). No banners or signs were displayed on their premises bearing the name of any Chevrolet dealer and no dealer advertised that new Chevrolet automobiles were available through discount houses or referral services (*e.g.*, Appendix A to Reporter's Transcript, pp. 100, 170). New car brochures and other descriptive literature provided by participating dealers frequently were available at the new

car discount desks (Appendix B to Reporter's Transcript, pp. 14-15) and in some instances various models of new automobiles were on display (see, *e.g.*, G.X. 7, 141).

In the case of a referral service, the customer was told that the particular make and model sought could be supplied at a discount, but no price was quoted. He was referred to a participating dealer who quoted the price (Appendix B to Reporter's Transcript, pp. 28-30). In a discount house, however, the customer was quoted a price for the particular model, and he then signed a purchase agreement under which the discount house undertook to supply the car at the stated price (see, *e.g.*, G.X. 138, p. 3). After the agreement was signed, the dealer who would supply the car was identified (see G.X. 141; G.X. 138, p. 2). In all instances the participating dealers transferred title to the new automobile directly to the customer, and paid the referral services or discount houses an amount, agreed upon in advance, that usually was a flat fee for each car sold (see G.X. 146-147, 149-152, 154, 156).

Most of the dealers who engaged in such selling were located in the City of Los Angeles, but much of the selling was done through discount houses in Orange County, an area outside the Los Angeles city limits and in which automobile prices generally were higher than in Los Angeles proper. In 1960 about 2,000 Chevrolets (approximately two percent of the Chevrolets sold in the Los Angeles area) were sold through discount houses and referral services (Tr. 465-466; G.X. 1, pp. 17-18).

In that year a number of dealers who did not make such sales took steps to end the practice. In the summer of 1960, some of the dealer-members of appellee Losor Chevrolet Dealers Association ("Losor") complained about the discount house sales to the Los Angeles Chevrolet Zone Office "and sought to induce General Motors to take some action respecting such selling. The Zone Office personnel at that time informed the complaining dealers and some of the dealers selling through discount houses or referral services that although said personnel considered the practice inimical to the Chevrolet franchise system, they had no authorization from their superiors in Detroit to take any action to stop such selling" (Fdg. 34, App. B, *infra*, pp. 32a-33a).

The dealers then decided to bring the matter to the attention of high level officials of General Motors in Detroit, "asking that something be done regarding this situation" (G.X. 175; Appendix A to Reporter's Transcript, pp. 21-22). At a meeting of appellee Losor on November 10, 1960, the Chevrolet dealers agreed to write letters and send telegrams to such General Motors officials as the President and Vice President and the General Manager and General Sales Manager of the Chevrolet Motor Division. Pursuant to this plan the dealers sent approximately 200 letters and wires to those officials, complaining about the "unfair competition" posed by Chevrolet dealers who supplied new cars for discount house sales, stating that it was "impossible to compete with these people on a price basis" (see, *e.g.*, G.X. 57, 69), and seeking the cooperation and assistance of General Motors in the

dealers' efforts to eliminate discount house selling (see G.X. 65, 83, 86, 90).² On December 15, 1960, the officers of the three appellee dealer associations held a joint meeting at which they appointed a committee to find methods of combating discount house selling (G.X. 119). They informed the Los Angeles Chevrolet Zone Office of this action (*ibid.*)

As a result of this campaign, General Motors decided that its Regional Manager for Chevrolet on the Pacific Coast would meet personally with each dealer in the Southern California area known to be selling through discount houses and attempt to "induce" or "persuade" him to discontinue the practice (see Fdg. 36, App. B, *infra*, pp. 33a-34a), by informing him that a discount house "arrangement [would] constitute a violation of the [dealer's] selling agreement" with General Motors (Tr. 535-537). It also decided that the Los Angeles Zone Manager, "together with the City Managers in Los Angeles and the Assistant Zone Manager, [would] divide up and hold personal conferences with all the other dealers in the Zone * * *" (G.X. 201; Tr. 713-716). As a General Motors official explained (G.X. 201): "This was done in order that every dealer with whom the subject was discussed would know that a similar discussion was being held with all other dealers so that if certain dealers should elect to discontinue their cooperation with a discount house, [General

² The President of General Motors viewed these communications as indicating that Chevrolet dealers in the Southern California area were conducting a "campaign" to eliminate sales of new Chevrolets through discount houses (Tr. 590, 607).

Motors] might be able to discourage some other dealer who might be solicited from starting the practice." General Motors recognized that unless there were complete cooperation by all Chevrolet dealers in the Southern California area to discontinue or refrain from discount house selling, "it would not have accomplished anything" (Tr. 853).

In advance of such meetings General Motors sent to every dealer in the area a "policy" letter (G.X. 115-118, 121) describing the discount house problem, warning that in some instances sales through discount houses would violate the Chevrolet franchise agreement,³ and advising that General Motors officials "propose to personally discuss this matter with each of their dealers in those areas where such [discount] activity is reported to exist * * *" (*ibid.*).⁴

"In carrying out the instructions received from the General Motors Central Office, Chevrolet personnel met with each Chevrolet dealer in the Los Angeles Metropolitan Area individually and endeavored to induce and persuade each such dealer to refrain from

³The standard General Motors Chevrolet "Dealer Selling Agreement" (G.X. 1, pp. 93, 94, paras. 11, 6) provides that "[o]nce Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business including any used car lot or location without the prior written approval of Chevrolet." In the "policy" letter, General Motors suggested that selling new cars through discount houses would amount to the establishment of a "branch location" at the discount house.

⁴Similar policy letters were sent to all other General Motors dealers (including Pontiac, Oldsmobile, Buick and Cadillac) throughout the United States (G.X. 116; Tr. 449-452).

the practice of selling new Chevrolets through discount houses or referral services" (Fdg. 39, App. B, *infra*, p. 35a). A General Motors' Vice-President testified (Tr. 544) that these meetings were carried out on an individual basis "[b]ecause if it were handled on a group basis I suppose we could have been charged with a conspiracy in conspiring with the dealers * * * group to accomplish this discount house referral elimination." Immediately after these meetings, all participation by Chevrolet dealers in discount house selling in the area abruptly ended (see, e.g., Appendix A to Reporter's Transcript, pp. 102, 116, 148, 163).

Although discount house selling was thus terminated, General Motors recognized that "complete correction of the problem [would] require constant scrutiny and follow-up" to prevent its recurrence (G.X. 127). The dealer associations adopted a "policing" arrangement under which they employed a professional "shopper" and investigator who obtained documentary evidence and sometimes tape recordings of occasional discount house sales (Appendix A to Reporter's Transcript, pp. 47-48, 68-69, 202-207). While the court found (Fdg. 41, App. B, *infra*, p. 36a) that this "policing" arrangement was made without the prior knowledge of General Motors, the evidence thus obtained was turned over to the Chevrolet Zone Manager, who on at least seven occasions called in the offending dealer, confronted him with the evidence of his violation of the "agreement" against discount house selling, and asked him if he did not wish to repurchase the car purchased by the shopper-investi-

gator (Appendix A to Reporter's Transcript, pp. 204-207, 149-150, 260-263, 256-258). Each offending dealer did so, often at a financial loss (*id.* at 260-263, 248, 258).

2. The district court held that neither General Motors nor the appellee dealer associations had violated the Sherman Act in eliminating discount house and referral selling of Chevrolets in Southern California. The court ruled that such selling violated the prohibition in the Chevrolet dealer franchise agreements against establishing a "branch location" (see note 3, *supra*, p. 7), because the discount houses and referral services were dealer "outlets" or "locations" (Conclusion of Law 2, App. B, *infra*, p. 40a); that the location restriction itself was valid because it gives each dealer "a 'head start' in a market of sufficient sales potential to provide him a fair profit opportunity,"⁵ since if all dealers could establish competing sales outlets in an area which General Motors had found to be adequate to support only one selling outlet, the business of the dealer for that area would be so diluted that he could not stay in business and General Motors "would lose the competitive advantage of having a sales, service and parts facility" in that area (Fdg. 17, App. B, *infra*, p. 24a); that selling through discount houses and referral services "has the same effect" as the establishment of "branch sales offices" (Fdg. 20, App. B, *infra*, p. 26a); that

⁵ The court found that although General Motors was justly concerned by the threat to the dealers' "profit opportunity" (Fdg. 17, App. B, *infra*, p. 24a) inherent in discount house operations, it was not concerned about the prices at which Chevrolets were sold (App. A, *infra*, p. 9a; Fdg. 38, App. B, *infra*, p. 35a).

General Motors had "the legal right" to require Chevrolet dealers to refrain from selling through discount houses and referral services "and thus to conform to the provisions of their Dealer Selling Agreements" (Conclusion of Law 3, App. B, *infra*, p. 40a); that in so doing General Motors had "acted independently and unilaterally" and not "jointly or in combination, conspiracy or concert of action" with the dealers or their associations (Conclusion of Law 4, App. B, *infra*, p. 41a); and that since General Motors had the right to bar its dealers from selling through discount houses, the dealers did not act unlawfully in getting together to urge General Motors to exercise that right (App. A, *infra*, p. 10a; Conclusion of Law 5, App. B, *infra*, p. 41a).

THE QUESTION IS SUBSTANTIAL

This antitrust case concerns the legality under Section 1 of the Sherman Act of a successful joint effort by General Motors and its franchised Chevrolet dealers in the Southern California area to eliminate a new form of merchandising in the automobile industry which apparently originated in the Los Angeles area and was "becoming well established in certain other areas of the country, like St. Louis, Kansas City and Washington, D.C." (G.X. 185 *).

Until recently, automobiles have been one of the few major consumer items whose distribution has not

* G.X. 185 is a General Motors "policy" statement dealing with the "detrimental" "problems raised by the discount house new car merchandising activities" and indicating those sections of the country where discount house selling either had already developed or was expected to develop. See also Tr. 661.

been attempted through discount houses.⁷ These price-cutting outlets in a few years have effected a virtual revolution in traditional methods of retail distribution. Today huge discount supermarkets dot the country, offering under a single roof a wide variety of products, in different makes and models, that are sold to the public primarily on the basis of price rather than of service. Protecting the freedom to institute discount house distribution is especially important in the case of automobiles, since they are sold by brand name and small number of manufacturers makes price competition at the retail level particularly significant.

The decision below upheld the joint effort of General Motors and its dealers to end the successful distribution of Chevrolet automobiles through discount houses in an important market. The ground of decision was that in thus eliminating this method of distribution, General Motors was properly enforcing the provision of its dealer franchise agreement prohibiting the establishment of branch locations. The effect of this ruling, if not reversed, would be to enable any automobile manufacturer, by including a similar provision in its franchise agreements, to prevent any distribution of its cars through discount houses; and thus to deny to the automobile buying public the benefit of the type of discount house selling that has been successfully employed for most other major consumer products. The decision not only has far-

⁷ We shall use the words "discount houses" to cover both such outlets and referral services.

reaching consequences for the consumer but, as we now show, is an erroneous application of Section 1 of the Sherman Act.

1. As set forth in the Statement, there is no dispute about the basic facts, but only about the proper inferences to be drawn from them. The record shows that a number of Chevrolet dealers in Southern California, displeased that other dealers were selling automobiles through discount houses, attempted to get the local Chevrolet Zone Office to do something about such cut-price selling, but that the officials there explained that "they had no authorization from their superiors in Detroit to take any action to stop such selling"; that these dealers then importuned General Motors officials in Detroit to stop this "unfair competition"; that General Motors' response to this request was to meet individually with every dealer in the area and "induce" or "persuade" him to stop selling through discount houses, making it clear that similar discussions were being held with all the other dealers; and that, following such meetings, all Chevrolet dealers in the area suddenly and immediately stopped selling through discount houses (*supra*, pp. 6-8). In short, as a result of the joint efforts by some of the dealers and General Motors, all of the dealers undertook to stop trading with the discount houses.

We submit that in the present case, just as in *United States v. Parke, Davis & Co.*, 362 U.S. 29, 44, the uncontradicted facts establish that the manufacturer "has put together a combination [with its dealers] in violation of the Sherman Act." The dealers

took the initiative in getting General Motors to act, but once General Motors decided to stop discount-house selling it "sought assurances of compliance [from its dealers] and got them, as well as the compliance itself. It was only by actively bringing about substantial unanimity among the [dealers] that [General Motors] was able to gain adherence to its policy" (*id.* at 46-47). Moreover, in gaining dealer adherence to its policy, General Motors made it clear to each individual dealer that all were joining in the program (cf. *Interstate Circuit, Inc. v. United States*, 306 U.S. 208, 223, 226). Such a concerted refusal to deal with the discount houses, or group boycott, is illegal *per se*. See *Eastern States Retail Lumber Dealers' Association v. United States*, 234 U.S. 600 (refusal by retailers to deal with wholesalers who sell directly to consumers); *Straus v. Victor Talking Machine Co.*, 297 Fed. 791 (C.A. 2) (refusal by manufacturer and cooperating dealers to sell to another dealer at other than retail prices); *United States v. Waltham Watch Co.*, 47 F. Supp. 524 (S.D.N.Y.) (refusal by manufacturer and cooperating dealers to sell to unapproved outlets). Such a boycott cannot be justified by business needs or any other reason. *Kiefer-Stewart Co. v. Joseph E. Seagram & Sons*, 340 U.S. 211, 214; *Fashion Originators' Guild v. Federal Trade Commission*, 312 U.S. 457; *Klor's, Inc. v. Broadway-Hale Stores, Inc.*, 359 U.S. 207.

The fact that in *Parke, Davis* the aim of the combination was to "promote general compliance with [the manufacturer's] suggested resale prices" (362 U.S. at 45), while in the present case it was to stop

sales of Chevrolets through discount houses, is immaterial. For in both cases the ultimate aim of the combination—the suppression of competition by particular groups whom the conspirators disfavored—was illegal under the Sherman Act when achieved by concerted action. “The Sherman Act forbids combinations of traders to suppress competition” (*Parke, Davis*, 362 U.S. at 44). A combination between a manufacturer and its dealers certainly is no less illegal when the purpose is to prevent particular outlets from selling the product than when, as in *Parke, Davis*, the purpose is to require the outlets to stop price-cutting.

The combination in the present case, like that in *Parke, Davis*, was designed to eliminate, or at least to reduce, price competition. The record shows (see Statement, *supra*, p. 5) and the district court found (Fdg. 38, App. B, *infra*, p. 35a) that dealers and salesmen concerned about discount house selling complained about “cut rate” or “discount price” offers. While the court below found (erroneously, we believe) that General Motors was unconcerned about the retail price level (Fdgs. 37, 38, App. B, *infra*, pp. 34a-35a),⁸ it was aware of the dealers’ complaints about price-cutting; the campaign to eliminate discount house selling obviously was directed against one form of

⁸ It is difficult to reconcile General Motors’ apparent concern over the “profit opportunity” (Fdg. 17, App. B, *infra*, p. 24a) of its dealers with its alleged disinterest in the price level at which those dealers were compelled to compete as the result of discount house selling. Indeed, one General Motors official frankly recognized the “hazard” of allowing discounted prices to be freely quoted to a large portion of the public (G.X. 114).

price competition. The necessary effect of General Motors' acts was the suppression of such competition and, to that extent, the stabilization of prices.

In sum, the concerted refusal to deal with discount houses which this record shows was a typical example of a group boycott intended to drive from the market third parties whose merchandising threatened to undermine the price structure. As such, it was *per se* an unreasonable restraint of trade.

2. Contrary to the ruling of the district court, General Motors cannot justify the concerted refusal of its Chevrolet dealers to deal with discount houses, which it instigated, as a method of enforcing the prohibition in its dealer franchise agreements against the dealers establishing branch locations.

First, as we have noted (*supra*, p. 13), since the concerted refusal to deal constituted a group boycott, it is illegal *per se* regardless of any purported justification.

Second, General Motors' campaign to induce and persuade its dealers to stop discount house selling was not taken on its own initiative as a result of a unilateral decision that such selling was inimical to its own business interests. On the contrary, it was done at the insistence and because of the urging of certain of its dealers, who wanted to stop their competitors from engaging in such selling and who jointly had undertaken to persuade General Motors to use its power over the dealers to accomplish that end (see Statement *supra*, ¶p. 5-6). Furthermore, when General Motors undertook to get the individual dealers not to sell through discount houses, it explicitly in-

formed them that it was obtaining similar commitments from all their competitors—as, indeed, General Motors recognized was necessary (*supra*, pp. 6-7).^{*} Thus, General Motors' enforcement of the prohibition against establishing branch locations so as to bar discount house selling involved a horizontal restraint in the form of a concerted refusal to deal. While in *White Motor Co. v. United States*, 372 U.S. 253, the Court left open the possibility of justifying a *vertically*-imposed territorial allocation, it had no doubt about the *per se* illegality of a horizontal agreement to divide markets. A horizontal group boycott is likewise *per se* illegal. 372 U.S. at 261, 263, and 267 (concurring opinion of Mr. Justice Brennan).

Finally, even if the prohibition on dealing with discount houses is viewed as having been imposed solely

^{*} As a practical matter, General Motors could not have stopped discount house selling unless all the dealers in the area undertook to do so. Were a single dealer to discontinue supplying discount houses served by others, he would in effect forfeit those sales to his competitors. See *Hale & Hale, Market Power: Size and Shape under the Sherman Act*, § 2.21 (1958). Thus, an individual dealer would be most unlikely to abandon such sales unless he were assured that his competitors would follow suit. On the other hand, a joint refusal to deal would prevent competitive disadvantage. As a matter of fact, General Motors obtained such an agreement by assuring each dealer that he would be placed at no such competitive disadvantage and each dealer's agreement was predicated upon the "substantial unanimity among [his] competitors" brought about by General Motors (*United States v. Parke, Davis & Co.*, 362 at 46-47). This was particularly necessary here since the Dealer Selling Agreement did not on its face ban discount house selling and General Motors had to resort to "policy" statements and "interpretive" discussions to inform each dealer that it did.

by General Motors without the participation of the dealers, it nevertheless constitutes an unreasonable restraint of trade and the dealer franchise agreements, to the extent that they bar such dealing, are themselves illegal.

In the *White Motor* case, *supra*, the district court had granted summary judgment in favor of the government, holding that certain restrictions imposed by a manufacturer of trucks upon the geographical area within which and the persons to whom its dealers could sell, were illegal *per se* under Section 1 of the Sherman Act. This Court reversed and remanded the case for trial, holding that "[w]e need to know more than we do about the actual impact of these arrangements on competition to decide whether they have such a 'pernicious effect on competition and lack * * * any redeeming virtue' * * * and therefore should be classified as *per se* violations of the Sherman Act" (372 U.S. at 263). It pointed out (*ibid.*) that vertical territorial limitations "may be too dangerous to sanction or they may be allowable protections against aggressive competitors or the only practicable means a small company has for breaking into or staying in business * * *." Mr. Justice Brennan in his concurring opinion noted that it also had been suggested "that it may reasonably appear necessary for a manufacturer to subdivide his sales territory in order to ensure that his product will be adequately advertised, promoted, and serviced" (372 U.S. at 269; footnote omitted).

The effect upon competition of permitting General Motors to enforce its franchise agreements so as to eliminate dealing with discount houses is clear: such price-cutting outlets are completely eliminated from the entire market for new Chevrolet automobiles.

In terms of the economic need for such restriction, General Motors obviously cannot justify the prohibition against selling through discount houses as "allowable protections against aggressive competitors or the only practicable means a small company has for breaking into or staying in business" (*White Motor, supra*). The prohibition is not designed to protect General Motors against the aggressive competition of other automobile manufacturers, but to protect those General Motors dealers who do not wish to sell through discount houses at a lower profit margin against their competitors who do. General Motors is not a small company but the leading automobile manufacturer; Chevrolet is the largest selling automobile; and General Motors could hardly claim that its ability to operate profitably would be jeopardized if some Chevrolet dealers sold through discount houses.

The district court ruled, however, that the prohibition in the franchise agreement against establishing branch offices was valid because it "provides for each dealer an advantage of location convenience in his neighborhood and thereby gives him a 'head start' in a market of sufficient sales potential to provide him a fair profit opportunity" (Fdg. 17, App. B, *infra*, p. 24a); that selling through discount houses "has the same effect" as establishing a branch location (Fdg. 20, App. B, *infra*, p. 26a); and that con-

tinuation of discount selling "would, in time, cause the withdrawal from business of a substantial number of Chevrolet dealers" and result in "haphazard location" of dealers and representation of Chevrolet in important areas only by discount houses which would not provide service and would not be obligated aggressively to promote Chevrolet sales—all leading to the impairment of competition (Edgs. 23, 24, App. B, *infra*, p. 27a). Assuming the validity of the findings as to the justification for General Motors' general prohibition against the establishment of branch locations, the record does not support the findings that continued discount house selling would impair the validity of Chevrolet's distribution system by causing a number of dealers to go out of business, and thus place General Motors at a competitive disadvantage vis-à-vis other automobile manufacturers.

There is no record support for the claim that dealers would be seriously injured—let alone forced out of business—by the diversion of sales to discount houses. Although some 2,000 Chevrolets were sold in 1960 through discount houses, no dealer in their area went out of business, and General Motors was unable to show that any dealer's "profit opportunity" was thereby impaired in any way that differed from the usual impact upon a merchant of vigorous competition by his rivals. Further, General Motors' executives were unable to say how many discount sales it would take to cause a dealer to threaten to terminate

his dealership because of lack of "profit potential."¹⁰ There is no reason to believe that other Chevrolet dealers could not compete effectively either by themselves meeting the "discount" price or by selling through discount houses in other areas of the city.

The record similarly is devoid of evidence that the prohibition on discount selling, which admittedly eliminates some intrabrand competition between General Motors dealers, would increase interbrand competition between General Motors and other automobile manufacturers. See *White Motors*, 372 U.S. at 258-259, 263, 267-270 (concurring opinion of Mr. Justice Brennan). In the Los Angeles area, there are 85 Chevrolet dealers who engage in "intense inter^{EA}brand competition" with each other,¹¹ each dealer having an average of five others dealing within a 5-mile radius (Fdg. 28, App. B, *infra*, p. 30a). There is nothing in the record which indicates that discount house selling did or would weaken General Motors' position against its smaller rival manufacturers. Indeed, since General Motors' rivals were (and as far as the record indicates still are) selling through discount houses, termination of distribution of General Motors auto-

¹⁰ Similarly, while General Motors expressed concern over the impact of discount selling on the service available to the public (see Fdg. 12(b), App. B, *infra*, pp. 18a-19a), there is nothing to demonstrate that any vehicles in fact were not properly serviced because they were sold through discount houses, or that any dealer suffered serious financial loss as a result of providing such servicing.

¹¹ The franchise agreements in this case provided that the entire Los Angeles metropolitan region was the primary area in which all these dealers were "to develop properly the sale [of Chevrolets] at retail * * *" (G.X. 1, pp. 88, 95).

mobiles through such outlets would suppress rather than help inter-brand competition at those points.

In short, the district court's findings on the justification for the restraint are nothing more than speculative, unsupported conclusions. They merely show that insulating each General Motors dealer from the competition of discount house selling is consistent with a system designed to provide each dealer with some competitive advantage in his "own" territory over other General Motors dealers. That is, prohibition of discount house selling is said to be implicit in the franchise system, since the "maintenance of the system is based" on the "location [territorial] advantage of each dealership point" (Fdg. 25, App. B, *infra*, p. 29a). But this does not remotely suggest that a prohibition on discount house selling is necessary to promote competition between General Motors and other automobile manufacturers.

CONCLUSION

This appeal presents a substantial question of public importance. Probable jurisdiction should be noted.

Respectfully submitted.

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Assistant Attorney General.

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DONALD L. HARDISON,
Attorneys.

JANUARY 1965.

the following table with which I have
 been able to supply the necessary
 data. The table is arranged in
 three columns, the first of which
 contains the names of the
 various species, the second
 the number of specimens
 of each, and the third
 the date of collection.
 The table is arranged in
 three columns, the first of which
 contains the names of the
 various species, the second
 the number of specimens
 of each, and the third
 the date of collection.

Species	Number of specimens	Date of collection
1. <i>Canis lupus</i>	1	1891
2. <i>Canis lupus</i>	1	1891
3. <i>Canis lupus</i>	1	1891
4. <i>Canis lupus</i>	1	1891
5. <i>Canis lupus</i>	1	1891
6. <i>Canis lupus</i>	1	1891
7. <i>Canis lupus</i>	1	1891
8. <i>Canis lupus</i>	1	1891

APPENDIX A

[Volume 9]

In the United States District Court, Southern
District of California, Central Division

HONORABLE CHARLES H. CARR, JUDGE PRESIDING

No. 62-1208-CC Civil

UNITED STATES OF AMERICA, PLAINTIFF

v.

GENERAL MOTORS CORPORATION, ET AL., DEFENDANTS

Reporter's Transcript of Proceedings

Place: Los Angeles, California

Date: Monday, August 24, 1964

Pages: 1095 to 1114

[1099] *Los Angeles, California, Monday, August 24,
1964, 2:00 p.m.*

The CLERK. Case No. 6 on the calendar, 62-1208,
United States of America v. General Motors Corpora-
tion, for further trial proceedings.

The COURT. Well, I am ready to render what pur-
ports to be a decision.

Is there anything further at this time before I do—
other than the smog that we are having?

Anything for the Government further, this is your
last chance.

Mr. BLECHER. Nothing further, your Honor.

The COURT. The last chance, Judge.

Mr. HANSEN. Nothing further.

Mr. MITCHELL. Nothing further, your Honor.

The COURT. I have made some notes, gentlemen, that I will refer to and give you my decision orally, more or less thinking it out as I go—spelling it out—giving you a general idea of the bases for my decision.

I have not had an opportunity or the time to try to write a decision by reason of a crowded calendar. So this, I suppose, might be considered a memorandum opinion, or a memorandum decision. And I doubt if it will ever be published, because I will not send it in for publication myself. But it will be in the record anyway.

[1100] I want to first say that as to both sides, all counsel, the preparation and presentation of this case has been excellent. And as you all know, somebody has to lose. And now I shall tell you who does.

The Government by this suit seeks to have the court decree that the defendants have engaged in a combination and conspiracy in unreasonable restraint of trade in violation of Section 1 of the Sherman Act. It then seeks to enjoin each of the defendants from carrying on the alleged combination and conspiracy and, in particular, it requests that General Motors be perpetually enjoined from imposing or attempting to impose any limitation or restriction upon any General Motors' dealers in dealing with discount houses.

It is also sought to enjoin General Motors from inducing, persuading or attempting to persuade any General Motors dealer to refrain from dealing with discount houses. The prayer of the complaint further seeks to enjoin General Motors from controlling or attempting to control prices at which any dealer may

sell automobiles and from attempting to exercise any restraint on the resale of automobiles by any dealer.

General Motors selects and contracts with various parties to carry on dealerships for Chevrolet automobiles. These contracts provide among other things for the [1101] non-exclusive privilege of selling Chevrolet automobiles, parts and accessories; and, although a dealer is assigned to a particular area, he may sell Chevrolet automobiles anywhere he finds a customer.

The contract provides that the selling agreement is a personal service contract and that the dealer shall actively, aggressively, and honestly promote the sale of Chevrolet automobiles, parts, and accessories; also that he shall conduct his business in a manner which will preserve the good will of Chevrolet.

It is further provided that the dealer "shall establish a place of business at a location mutually satisfactory to the dealer and General Motors and shall not establish a branch sales office without prior written approval of Chevrolet." The dealer is also required to maintain an approved business location not only for sales but for service operations and "parts and accessories sales."

As early as 1960 complaints were beginning to reach General Motors to the effect that discount houses were selling Chevrolet automobiles in the Los Angeles metropolitan area, the area involved in this suit. Letters and some telegrams were received from dealers and their salesmen complaining of referral sales by discount houses.

General Motors became seriously concerned with the [1102] matter of referral sales by discount houses in the latter part of 1960 and began to take steps looking toward the termination of the referral sales by discount houses.

Losor, a trade association whose membership consisted of Chevrolet dealers, about June 28, 1960, took notice of the discount house situation and began efforts to induce General Motors to take some action respecting the matter.

At a later time, about December 15, 1960, there was a meeting of the three dealer Associations, namely: Losor, Dealers' Service, Inc., and Foothill Dealers Association, which were all comprised of Chevrolet dealers in the metropolitan area. All of these organizations were interested in persuading General Motors to bring about a termination of referral sales by discount houses.

In the meantime and prior to the meeting of the three Associations, General Motors had undertaken through its representatives to advise the various Chevrolet dealers that it considered the discount referral transactions to be contrary to the Dealer Selling Agreements.

When the dealers were contacted and the matter discussed they indicated that they would discontinue the use of the discount houses for referral sales. In several instances where purchases of Chevrolet cars had been made by representatives of one of the dealer Associations the [1103] dealer refunded the purchase price and took back the Chevrolet automobile. The dealer organizations insist that their representatives made these purchases for the purpose of convincing General Motors that referral sales were being made by discount houses. The dealer Associations supplied the representatives of General Motors with the name of the dealer and the record of the sale which had been made.

The Government contends that because the dealer Associations endeavored to persuade General Motors that the discount house referral sales were detrimental

to the dealers and General Motors undertook to terminate the referral sales by the discount houses there came into existence a combination and conspiracy in restraint of trade. The Government contends that the activities amounted to a boycott and that, being a boycott, it is per se a violation.

The contention appears to rest upon the the premise that the effort to eliminate referral sales by discount houses was, in fact, directed at price control. In some instances some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams and letters regarding the "cut-rate" or "discount price" at the discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the price at which Chevrolet automobiles [1104] were sold since any dealer could sell at any price he desired and at any place.

It is the position of General Motors that its dealer contracts prohibit the establishment of an additional dealership or branch, and that to permit the establishment of such would be extremely detrimental not only to their method of distribution through dealerships but that their entire program of distribution would be completely destroyed.

In this it is contended that an important part of the system encompasses the product loyalty of the dealership, the facilities for parts and services, the capacity to comply with warranties and many other services that are afforded by Chevrolet dealerships but are not available at discount houses. It is also important to note that discount houses sell more than one make of automobile and necessarily are interested in the sale rather than promoting one particular make.

The Government appeared to concede during the trial, although apparently now contending otherwise, that General Motors by reason of its contractual rights

could have prevented the activity of the discount houses in the beginning but that, having endeavored to induce the Chevrolet dealers to take action, a combination and conspiracy involved by reason of the at least tacit agreement of the Chevrolet dealers to refrain from doing business with [1105] discount houses.

General Motors, on the other hand, contends that it has the legal right to require a dealer to operate from his established dealership and not to use discount houses; that General Motors in endeavoring to persuade dealers to comply with this contract was acting unilaterally and without any agreement or understanding with the dealers; and that merely because General Motors and the dealer Associations may have had the same objective in mind it does not follow that a combination and conspiracy came into being.

To hold that parallel action or the same objective pursued by different parties necessarily establishes a combination and conspiracy, would preclude many ordinary business activities. Here it must be assumed that General Motors distributor contracts are legal and in and of themselves in no way in violation of the Sherman Act.

As heretofore pointed out, the Chevrolet dealers are free to sell at any price, to anyone, at any time. They are, however, required to maintain an established place of business which meets certain requirements of the dealership contract. Chevrolet dealers are required to make periodic reports to General Motors and to carry on business in accordance with established standards which are applicable to Chevrolet dealers generally.

[1106] Maintenance of sales facilities, service facilities, inventory of parts, and many other matters directly affecting the distribution of Chevrolet automobiles are prescribed by the dealership contract. It

is contended that the dealership relationship with customers is one of the important phases of the system and that without it the business of General Motors would suffer materially.

In this connection it is pointed out that where a referral sale is made through a discount house, although the warranty provisions relating to the car require any dealer to provide service pursuant to those warranties, the dealers generally would show little or no interest in satisfying the warranty conditions.

It is emphasized that the location of dealers is of great importance since persons requiring service usually desire to go to a dealership as near as possible to their home or business and if the dealers were not strategically located the purchasing public would be greatly inconvenienced in obtaining service at Chevrolet dealers as well as genuine Chevrolet parts.

The evidence indicates that General Motors relies heavily upon the information received from its dealers in scheduling production programs. The information received from its dealers helps make it possible to plan its production which is done far in advance of the release [1107] of the new models each year.

From the facts of this case, it appears that General Motors is seeking to enforce a contractual obligation with its Chevrolet franchise dealers. While those agreements make many requirements of the dealers they do not limit competition among the dealers. All dealers are free to sell at any price, even at a loss, if they desire, and they may compete with other dealers in that dealer's area.

The evidence clearly discloses that Chevrolet dealers are in vigorous competition with each other in discounting the prices in the sale of Chevrolets. To insist that a manufacturer and distributor of auto-

mobiles is not permitted to select and set up standards for the operation of his dealers upon the theory that it was an unreasonable restraint of competition would result not only in the destruction of the competition which benefits the public but would probably eliminate the distributor system entirely.

Without such a system it would no doubt be impossible for a large manufacturer to plan its program for new cars each year which entails preparation and planning far beyond the concept of a person not familiar with the business.

[1108] If *Chicago Board of Trade v. United States*, 246 US 231 means what it says, the test enunciated therein certainly applies in this case. Considering all of the factors encompassed in the relationship between General Motors and its franchise dealers and the public, it must be concluded that the dealer contracts promote rather than suppress competition, and benefit the purchasing public.

It is difficult to conclude that the exclusion of discount houses, which supply no facilities for repairs or the supply of genuine Chevrolet parts, or who fulfill warranty obligations or who do anything, in fact, except offer for sale a Chevrolet automobile—or a competing automobile if the customer indicates a preference—would constitute an unreasonable restraint of competition violative of the Sherman Act.

There is not too much conflict in the evidence respecting the alleged conspiracy. As heretofore noted, certain Chevrolet dealers and, in particular, Losor, began to call upon General Motors to bring about an end to the discount house operation. Thereafter General Motors took more serious note of the situation and considered what could be done.

Finally General Motors took action and made it known through its representatives to Chevrolet deal-

ers that the use of discount houses was, in its opinion, a [1109] violation of the Chevrolet franchise contracts. It was not until December 15, 1960, that the three Chevrolet organizations, Losor, D.S.I. and Foothill, began to meet together for the purpose of encouraging General Motors to bring about a cessation of the discount house situation. After General Motors had made known its position, the Chevrolet dealers continued to make purchases from discount houses through shoppers and bring those transactions to the attention of officials of General Motors. When this was done the dealer would usually refund the money and take back the car which had been sold.

It is undoubtedly true that to some extent the general objective of General Motors and its dealers coincided, but General Motors was interested in maintaining and continuing its distributor system through franchised dealers and in the main the dealers were interested in preventing the referral sales of Chevrolets by discount houses, particularly since they were required to carry out all of the contract obligations to the purchasers of Chevrolet automobiles, and in many instances maintain service departments at a financial loss, which was not done by the discount houses.

It may well have been that some of the individual dealers were complaining about the discount prices of the discount houses, but the evidence in the case does not [1110] support the conclusion that General Motors was endeavoring to maintain a price structure. [1111] Since General Motors was legally entitled to enforce its contracts, the mere urging of some of its dealers for assistance would not seem to change an independent action by General Motors into a combination or conspiracy.

Conspiracy has become a catch-all dragnet concept which becomes more and more expansive year by year. This tendency was commented upon in the case of *Krulewitch v. United States*, 336 U.S. 440, and, in particular, by Mr. Justice Jackson in a concurring opinion. To hold that a conspiracy arises, where a person is urged by other persons to exercise his legal rights, and he does so, would preclude communication between business organizations. In this connection the Government relies upon *United States v. Parke-Davis & Company*, 362 U.S. 29, but that case is wholly different from the case at bar.

The mere fact that General Motors brought about a result that was desired by some of the Chevrolet dealers is not sufficient to raise an inference of conspiracy. The circumstances in this case must be viewed in an environment of practicality and when that is done it is impossible for this court to conclude that a conspiracy existed. There was no reason to conspire to do what legally could be done.

Assuming that the court is correct in holding that General Motors has the legal power to enforce its dealership [1112] contracts and to preclude the use of discount houses by its dealers, it would be a useless act for the court to restrain General Motors or the Dealer Associations from conspiring, if there were in fact a conspiracy, when the court is actually deciding that General Motors has a legal right to do what it did and that the Dealer Associations had a right to urge General Motors to do what it did. A court of equity does not do a useless act.

The court concludes that the Government has failed to produce proof to establish the allegations of its complaint and for the relief prayed for in its prayer. Judgment will be entered accordingly for the defendants.

Counsel for the defendants are directed to prepare proposed findings of fact and conclusions of law and decree pursuant to Local Rule 7.

In that connection I suggest, gentlemen, that you combine the findings into one, not two separate findings.

And I think that I might just comment and say that I have been over the findings of both the Government and the defendant dealer organizations and the defendant General Motors. And I think that on the whole that there should not be too great a difficulty—but I have no objection to including, Mr. Mitchell, all of the findings that you have, at least what might say the historical preliminary based on the facts leading up to the ultimate findings of fact that I [1113] think from what I have read you could call the gist of my decisions. And I am convinced that you will have no trouble. But they should be reformed and put together and combined.

[1114]

APPENDIX B

United States District Court, Southern District of
California, Central Division

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, PLAINTIFF

vs.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.; AND
FOOTHILL CHEVROLET DEALERS ASSOCIATION, DE-
FENDANTS

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This cause came on regularly for trial on June 16, 1964, before the Honorable Charles H. Carr, Judge of the above entitled Court. Plaintiff was represented by Maxwell M. Blecher of San Francisco and Robert C. Weinbaum of Washington, D.C. Defendant General Motors Corporation was represented by O'Melveny & Myers, Homer I. Mitchell, Henry C. Thumann and Donald M. Wessling of Los Angeles; Lawler, Felix & Hall, Marcus Mattson, J. Phillip Nevins and John M. Maller of Los Angeles; and Aloysius F. Power, Robert A. Nitschke and Nicholas J. Rosiello of Detroit, Michigan. Defendants Losor Chevrolet Dealers Association; Dealers' Service, Inc.; and Foothill Chevrolet Dealers Association were represented by Hansen & Dolle and Victor R. Hansen of Los Angeles and Glenn S. Roberts of Los Angeles. Evidence, both oral and documentary, was received by the Court and the case was argued and submitted for decision.

Now, Therefore, the Court, being fully advised in the premises, hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. Stipulations of Facts Number One (Plaintiff's Exhibit 1), Number Two (GM Exhibit No. AA), and Number Three (GM Exhibit No. AZ) are limited to the period from June 1, 1960 through October 12, 1961 and all facts found herein, whether stated in the past or present tense, relate to said period unless otherwise stated.

2. As used herein, the following terms have the meanings indicated:

(a) "Chevrolet automobiles" means all of the various series and models of new passenger cars, station wagons, and trucks sold by the Chevrolet Motor Division of General Motors Corporation under trade names including "Chevrolet," "Corvair," and "Corvette," but excluding "Chevy II" and "Chevelle."

(b) "Chevrolet dealer" means any of the persons, firms or corporations who were parties to a Dealer Selling Agreement with the Chevrolet Motor Division of General Motors Corporation.

(c) "Dealer Selling Agreement" means the written agreement (including all amendments, addenda and supplements thereto) entered into between each Chevrolet dealer and the Chevrolet Motor Division of General Motors Corporation under which such dealer purchases for resale Chevrolet automobiles and Chevrolet parts and accessories therefor from said Chevrolet Motor Division and which recites the rights, privileges, obligations and liabilities of the parties thereto in connection therewith.

(d) "Chevrolet" means the Chevrolet Motor Division of General Motors Corporation which has its

principal offices in Detroit, Michigan, and which is the sole producer of Chevrolet automobiles.

(e) "Southern California area" means the Counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial, San Luis Obispo and Santa Barbara, State of California.

(f) "Los Angeles Metropolitan Area" means the following described area in the State of California:

In Los Angeles, San Bernardino and Orange Counties, that area bounded by the western and northern city limits of Los Angeles from the Pacific Ocean north and east to the northern city limits of Glendale and the Angeles National Forest Boundary. Continuing east along the Angeles and San Bernardino National Forest Boundaries including the northern city limits of Pasadena, Monrovia, Bradbury, Duarte and Azusa to the Cucamonga Creek; thence south along the Cucamonga Creek to 19th Street at the city limits of Upland, East on 19th Street to Haven Avenue; south on Haven Avenue to the Southern Pacific Railroad tracks, thence west on the railroad tracks to Archibald Avenue, south on Archibald Avenue including the city limits of Ontario to the San Bernardino County line. Thence southwest on the San Bernardino County line to the Orange County line and then southeast on the Orange County line to Santa Ana Canyon Road (Riverside Freeway); southwest on Santa Ana Canyon Road to the city limits of Anaheim. Around the city limits of Anaheim and the city limits of Orange to Santiago Blvd. Thence south and east on Santiago Blvd. to Chapman Ave., east on Chapman Ave. to Newport Ave., south on Newport Ave. to Newport Blvd. Continued southwest on Newport Blvd. including the city limits of Tustin to MacArthur Blvd., south on MacArthur Blvd. to the city limits of Newport Beach; thence southeast along the city limits of Newport Beach to the Pacific Ocean; including

non-post office areas located within or without the area described above served by post office stations located within the area described above.

In addition, the following communities in Los Angeles County: Agoura, Mt. Wilson, Calabasas, Olive View, Malibu.

Including non-post office areas served by post office stations located in the above named communities.

In San Bernardino County, the community of Mt. Baldy; including non-post office areas served by post office stations located in the community of Mt. Baldy.

In addition, the following communities in Orange County: El Toro, Silverado, Irvine, Trabuco Canyon.

Including non-post office areas served by post office stations located in the above named communities.

3. General Motors Corporation (hereinafter "General Motors") is a corporation organized and existing under the laws of the State of Delaware with principal offices both in New York, New York, and Detroit, Michigan.

4. Losor Chevrolet Dealers Association (hereinafter "Losor") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in Losor consisted of Chevrolet dealers in Orange County or Los Angeles County, State of California.

5. Dealers' Service, Inc. (hereinafter "DSI") is a non-profit corporation, organized and existing under and by virtue of the laws of the State of California. Membership in DSI consisted of Chevrolet dealers in the County of Los Angeles, State of California.

6. Foothill Chevrolet Dealers Association (hereinafter "Foothill") is a non-profit corporation, organized and existing under and by virtue of the laws of

the State of California. Membership in Foothill consisted of Chevrolet dealers in the Counties of Los Angeles, Riverside, or San Bernardino, State of California.

7. Losor, DSI and Foothill are independent of General Motors and are not operated, directed, controlled or guided by General Motors. Each was formed many years ago by franchised Chevrolet dealers without any solicitation or encouragement by General Motors. None of these associations engages in the sale of automobiles. Each provides services for its dealer members among which are the maintaining of an information bureau to assist dealers in making exchanges with other dealers to obtain particular Chevrolet cars of the models, colors and equipment required to fill orders from particular customers; the providing of advertising campaigns and sales promotion activities; and the engaging in advocating the passage of legislation pertaining to motor vehicles.

8. Component parts of Chevrolet automobiles are produced by or for Chevrolet in plants located in various states of the United States, including California. These parts are shipped to various assembly plants operated at various locations in the United States, including Van Nuys and Oakland, California. While most of the Chevrolet automobiles shipped to Chevrolet dealers in the Southern California area are assembled at said Van Nuys and Oakland, California, assembly plants, some Chevrolet automobiles are shipped to such dealers from assembly plants located outside of California. Substantially all shipments of Chevrolet automobiles are made pursuant to orders placed by such dealers (a) after they have received and accepted orders from consumers or (b) in anticipation of orders to be received and sales to be made.

9. Chevrolet relies on Chevrolet dealers to provide the retail selling organization for Chevrolet automobiles. They are independent merchants who buy Chevrolet automobiles from Chevrolet for resale. These dealers are franchised to operate according to and as a part of a system for merchandising Chevrolet automobiles developed over a period of 40 years by General Motors. This franchise system is embodied in written Dealer Selling Agreements. General Motors enters into a separate agreement with each Chevrolet dealer. All of the approximately 15,000 General Motors dealers for all makes of General Motors automobiles operate under substantially identical franchise systems and enter into substantially identical Dealer Selling Agreements.

10. Under the Chevrolet Dealer Selling Agreements, a dealer may sell Chevrolets at any price and to any person anywhere he finds a customer; there is no restraint on the retail prices at which the dealer may sell or the customers to whom he may sell. Although the dealer must operate out of a place of business at a location mutually satisfactory to him and to Chevrolet, he has neither territorial exclusivity nor territorial security. Under the Chevrolet franchise system, Chevrolet dealers are expected to compete with each other as well as with dealers in all rival makes of cars as to price and as to all other factors which may influence the public in choosing what make or model of car, where and from whom to buy. The Chevrolet Dealer Selling Agreements do not limit competition among Chevrolet dealers or between Chevrolet dealers and dealers in rival makes of automobiles.

11. The Dealer Selling Agreements restrict the Chevrolet dealer from transferring his sales obligations to others and from establishing branch sales offices at locations other than his place of business

approved by Chevrolet. These restrictions do not preclude the Chevrolet dealer from soliciting customers anywhere but they do preclude such dealer from using unapproved business locations out of which to solicit the sale of Chevrolet automobiles. These restrictions were included by Chevrolet in its franchise system in response to requirements arising out of the nature and needs of the product and of the retail market and are basic to the Chevrolet franchise system.

12. The major product and market requirements which led Chevrolet to develop and adopt its franchised dealer system are as follows:

(a) The automobile is a complex, mobile product in daily family use. It cannot satisfy its owners unless adequate service and parts facilities are conveniently available. Chevrolet therefore needs to assure itself that competent service and a supply of parts are conveniently available to consumers. Satisfied customers are both the source of favorable word-of-mouth advertising and are repeat customers. The average person purchases a new car every three and one-half years and seventy per cent of Chevrolet's business comes from repeat customers.

(b) As the manufacturer of a product, Chevrolet has obligations to consumers which usually must be met in the field. Latent defects may occasionally show up in certain models only after a number of units have been sold. The owners of these models must be traced and found and their cars repaired with dispatch. Also, mass produced cars may need minor work when they reach the dealers or their customers. Chevrolet needs dealers upon whom it can rely and who will have an incentive to find and remedy these minor defects which can be so annoying to the new car owner. Moreover, Chevrolet issues a written warranty on each new automobile. This

warranty is an effective competitive sales tool only if its obligations are promptly and properly discharged at the consumer level. For each of these, Chevrolet needs a retail organization with conveniently located and competently equipped and staffed facilities which will be on the job year in and year out and whose loyalty to and interest in the continuing good will and success of Chevrolet provide an incentive to meet these obligations to the satisfaction of consumers.

(c) The nature of the automobile market is such that the volume of sales will tend to be high at some times in the year and low at others. Thus, annual model changes produce peaks and valleys. So also does severe winter weather in much of the country. An aggressive retail selling organization willing and able to create demand during the slack seasons is needed to help iron out these fluctuations.

(d) Chevrolet may face lean years by reason of business cycles in the national economy or by reason of a miscalculation in size, styling or mechanical design in annual model changes or by reason of other adverse circumstances. Chevrolet needs a retail organization which will survive such lean years so that service and parts will continue to be provided to the owners of previous as well as current models and so that there will be a retail organization in being for a comeback.

(e) The logistics for the manufacture of an automobile are complicated. They involve committing for numerous, expensive and bulky supplies, machinery and equipment long before the start of production. They require constant forward planning under varying lead times for all steps beginning from the time a car is designed years before the start of production; continuing through all the numerous and complicated intermediate steps; and including the

actual production of the finished automobile on the final assembly line. Frequent periodic readings of the nationwide market detailing current and expected sales performance are essential in matching production schedules to consumer demand. An experienced nationwide network of retail dealers who are in close contact with consumers, whose salesmen have prospect files and customer lists, and who are capable of obtaining and reporting the necessary data is essential to rational production scheduling at the factory.

13. Chevrolet has designed its franchise system to cope with these requirements of the product and the market in order to meet the competition of its rival manufacturers and to obtain for Chevrolet continuing consumer satisfaction and thereby success in the market place. By its franchise system, Chevrolet endeavors to establish a retail organization composed of dealers who can continue to maintain an aggressive sales effort in good times and in slack times, can promote the good will of Chevrolet owners by convenient, adequate and courteous service and can perform essential functions in production scheduling.

14. The Chevrolet Dealer Selling Agreements which embody Chevrolet's franchise system grant to the dealer the non-exclusive privilege of selling new Chevrolet automobiles, parts and accessories sold to the dealer by the Chevrolet Motor Division and, in connection therewith, of displaying the various Chevrolet trademarks. In return for this privilege, the dealer agrees, among other things:

(a) That the Dealer Selling Agreement is a personal service contract entered into by Chevrolet with the dealer in reliance upon and in consideration of the personal qualifications of the dealer and the persons named as those who will actively participate in the ownership or operation of the dealership.

(b) That the dealer shall actively, aggressively and honestly promote the sale of Chevrolet automobiles, parts and accessories.

(c) That the dealer shall conduct his business in a manner which will preserve the good will of Chevrolet.

(d) That the dealer shall not transfer his sales obligation to others without the written consent of Chevrolet.

(e) That the dealer shall establish a place of business at a location mutually satisfactory to the dealer and Chevrolet and shall not establish a branch sales office without prior written approval of Chevrolet.

(f) That the dealer shall maintain at his approved business location facilities adequate in size and layout for sales and service operations and for parts and accessories sales.

(g) That to enable Chevrolet to establish production schedules and to place orders with its suppliers on the basis of the lead time normally required in the automobile mass production industry, the dealer shall furnish Chevrolet ten-day sales and inventory reports and each month shall furnish an estimate of his requirements of new Chevrolets for each of the three succeeding months.

(h) A Metropolitan Area Addendum is made a part of the Dealer Selling Agreement of each dealer located in a metropolitan area of over 50,000 population in which two or more Chevrolet dealers have common sales and service responsibilities. It recites that Chevrolet has determined the maximum number and geographical locations of dealer points to be located in the area. Chevrolet agrees that if dealer points are to be increased in number or changed in location, it will give each dealer in the metropolitan area sixty days' written notice and an opportunity to be heard.

15. In administering its franchise system, Chevrolet is confronted with the following problems peculiar to competition in the automobile industry:

(a) To compete successfully over the long term, Chevrolet dealers' sales, service and parts facilities must be located conveniently to consumers. The location of dealers is of great importance since persons requiring service usually desire to go to a dealership as near as possible to their home or business and if dealers are not strategically located, the purchasing public will be greatly inconvenienced in obtaining service at Chevrolet dealers as well as genuine Chevrolet parts.

(b) The performance of the obligations imposed by a Chevrolet Dealer Selling Agreement requires a substantial capital investment. In the Los Angeles Metropolitan Area the capital investment in Chevrolet dealerships ranges from a minimum of approximately \$70,000 to a maximum of approximately \$1,500,000.

(c) The proper performance of the service and parts obligations imposed by the Chevrolet Dealer Selling Agreement contributes importantly to customer good will and the overall profitability of a dealership. However, analyzed on a departmental basis and allocating to the service and parts departments their share of the dealership administrative expenses, those departments of the Los Angeles Metropolitan Area dealers generally operated at a loss. As shown by an independent study made on this basis by Price Waterhouse & Co., the typical Chevrolet dealership in the Los Angeles Metropolitan Area incurred an annual loss in the 1960 operation of its service and parts departments of approximately \$14,000.

(d) Reasonably prudent businessmen will not undertake such required capital investment nor will they undertake the performance of the service and parts

functions unless the overall operation of the dealership affords a reasonable profit opportunity.

(e) The existence of such a reasonable profit opportunity depends upon the availability to each dealership of a sales potential which, if achieved, would be sufficient (i) to enable the dealer to perform his service and parts obligations; (ii) allow him to meet the overhead expense of his entire operation; (iii) provide him with a fair compensation for his services rendered; and (iv) provide him with a reasonable return on his total investment in the dealership.

16. Chevrolet endeavors to appoint the right number of dealers located in the right places to satisfy the requirements of the product and the market described in Paragraph 12 of these Findings of Fact and to deal with the problems described in Paragraph 15 of these Findings of Fact. This is done on the basis of comprehensive studies which General Motors has developed over a period of 40 years and in which, briefly stated, Chevrolet does the following:

(a) Detailed field surveys are made of the area by trained survey teams which use extensive population, geographic and market research data as well as detailed analyses of motor vehicle registration data for the area to determine the number and locations of dealers which will provide convenience of sales, service and parts facilities to the public.

(b) The motor vehicle registration data for a representative period of years furnishes a basis for predicting the sales and service potential of each community and neighborhood in the area based on a count of sales made in those years of Chevrolets and competitive makes of automobiles and on a census of the Chevrolet automobile population in the area.

(c) Based on information and experience previously gained in the area over a representative period of

years and on a detailed study of the facilities and investments required to satisfy the sales and service needs of the area, Chevrolet then appoints what its studies indicate will be the right number of dealers at the right locations to provide aggressive and competitive sales effort; to provide each dealer a fair profit opportunity; and to provide consumers with convenient sales, service and parts facilities.

17. The location restriction of the Dealer Selling Agreements prevents dealers from nullifying Chevrolet's planned location of the right number of dealers in the right places. This restriction provides for each dealer an advantage of location convenience in his neighborhood and thereby gives him a "head start" in a market of sufficient sales potential to provide him a fair profit opportunity. A Chevrolet dealer's location advantage does not protect him from the competition of other Chevrolet dealers who may sell at any price, to anyone, anywhere. As demonstrated by General Motors' experience over the last 30 years, if there were no location restriction and if other dealers were free to establish sales outlets in the neighborhood of an established dealer, the sales potential of an area adequate only for one outlet (as indicated by General Motors' market surveys) would be divided among several outlets and even though the one dealer were fully competitive as to sales, service, parts and price, it would no longer be profitable for him to remain in business. Under these circumstances, it would be difficult to persuade another dealer-investor to replace him. Thus Chevrolet would lose the competitive advantage of having a sales, service and parts facility in a neighborhood where one was needed to satisfy the product and market requirements described above in Paragraph 12.

18. In the early summer of 1960, some Chevrolet dealers in the Southern California area were selling

new Chevrolets pursuant to agreements or understandings with some discount houses and referral services. Pursuant to these agreements or understandings, the discount houses and referral services performed many of the merchandising functions normally performed by Chevrolet dealers. These functions included one or more of the following: Providing an established business location which served as a point of contact with potential Chevrolet customers; referring potential customers to dealers who had agreed in advance to quote such customers prices based on specified mark-ups over the dealers' invoice costs; taking orders for new Chevrolets; negotiating with potential customers on the prices, terms and conditions of sale for new Chevrolet automobiles; negotiating price allowances for trade-ins; and delivering new Chevrolet automobiles to purchasers. In every case, the sale of the new Chevrolet automobile to the customer was made by the Chevrolet dealer through the discount house or referral service with title passing directly from the dealer to the customer. In no case did the dealer sell to the discount house or referral service and in no case did the discount house or referral service make a resale.

19. Each such discount house or referral service operated from a business location removed from the authorized location of the Chevrolet dealer in the sale of whose cars the discount house or referral service performed merchandising functions. Most were actually merchandising locations for wares of many sorts and advertised themselves as outlets or locations where people could go to buy Chevrolets. Such stores, or their concessionaires, operated new car sales departments which distributed Chevrolet promotional literature to prospective customers in the same manner as Chevrolet dealers. Some used Chevrolet's trademarked in-

signia. Some displayed new automobiles, including Chevrolets. These stores in fact were outlets or locations for the merchandising of new Chevrolets in addition to the outlets whose number and location had been determined by Chevrolet as necessary for the proper operation of its franchise system.

20. The practice of selling Chevrolet automobiles through discount house or referral service outlets engaged in by some Chevrolet dealers has the same effect as the direct establishment by these dealers of branch sales offices without the approval of Chevrolet. Another outlet in the same area is another point of contact with local customers that would attract and be able to sell a certain per cent of the potential customers in the area even though the existing outlets in the area were fully competitive as to prices. As the number of outlets in an area increases, the opportunity to obtain the area's business decreases for each of the outlets operating in the area.

21. Seventy per cent of all the Chevrolet dealers in the Los Angeles Metropolitan Area had from one to five discount house or referral service outlets located within five miles of their dealerships performing merchandising functions for Chevrolet dealers who in most instances were located far away from such outlets.

22. As shown by an independent study made by Price Waterhouse & Co., a small reduction in the volume of new car sales will result in a disproportionately large reduction in overall operating profit because a substantial proportion of the total expense of a Chevrolet dealership is relatively fixed. For example, an approximate reduction of 12% in new passenger car sales volume would result in the elimination of all operating profits for the typical Los Angeles Metropolitan Area Chevrolet dealerships hav-

ing an annual sales volume of 250 to 350 new vehicles. Furthermore, an approximate reduction of 33% in new car sales volume would have the same or worse results for all of the typical classes of Los Angeles Metropolitan Area Chevrolet dealerships having an annual sales volume of less than 750 new vehicles. Approximately 40% of the Chevrolet dealerships in the Los Angeles Metropolitan Area had an annual sales volume of less than 750 new vehicles. In the Los Angeles Zone, 61% of the Chevrolet dealers had an annual sales volume of less than 750 new vehicles.

23. Prudent dealers failing to make a fair profit would cease doing business long before their operating profits were eliminated. The failure to restrict the use of discount houses or referral services as outlets for new Chevrolet cars would, in time, cause the withdrawal from business of a substantial number of Chevrolet dealers. This would result in the haphazard location of the remaining dealerships, would leave large and important market areas in which Chevrolet's only representation would be by discount houses or referral services and competition would be impaired.

24. The discount houses and referral services do not provide Chevrolet with the kind of retail selling organization needed to cope with the requirements of the product and market described in Paragraph 12 of these Findings of Fact.

(a) They have no service or parts facilities and therefore cannot provide convenient service to Chevrolet owners residing or traveling in their area. Neither can dealers using discount houses or referral services as sales outlets provide convenient service because they are usually located at a distance from such outlets. The discount houses or referral services and the distant selling dealers who use these outlets in fact

relied on the existence of convenient service facilities provided by nearby Chevrolet dealers. Their own ability to sell Chevrolets by this means in these areas would be seriously curtailed by the disappearance of the convenient facilities of these dealers because the resulting gaps in service facilities inevitably would injure customer good will toward Chevrolet.

(b) Discount houses and referral services do not promote Chevrolet sales, but instead take orders for any make of cars. They do not promote sales of Chevrolet automobiles during slack periods of the year or during lean years. Chevrolet therefore cannot depend upon discount houses or referral services to provide the active and aggressive sales effort needed year in and year out.

(c) Having no legal relationship with Chevrolet, discount houses or referral services cannot be relied upon to provide the factory with the accurate and first-hand market information needed for orderly production scheduling. Dealers using discount houses or referral services as sales outlets would not be close enough to the market to provide the needed information.

(d) Having no particular stake in Chevrolet's continuing good will or the facilities or personnel to perform the services necessary to preserve that good will, discount houses or referral services cannot be relied upon to perform the tasks required in correcting latent defects, remedying minor mechanical problems and carrying out warranty obligations. The dealer using the discount houses or referral services as sales outlets is too far removed from the customer to perform or be sufficiently concerned about the proper performance of these important tasks.

Competition with other makes of cars would thereby be impaired.

25. The use by Chevrolet dealers of discount houses or referral services as sales outlets for new Chevrolets defeats an important objective of the Chevrolet franchise system and is in derogation of the system. Such arrangements have a greater inimical effect on such system than the establishment of dealer-controlled branch sales offices. They can be established and quickly multiplied with no investment in facilities and with no overhead burden. The quality of their personnel is accidental. They are a way of accomplishing that which is directly prohibited by Paragraph 6 of the Dealer Selling Agreement. Said Paragraph 6 reads, in part, as follows:

"* * * Once Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business, including any used car and/or truck lot or location without the prior written approval of Chevrolet."

The purpose of Paragraph 6 is to prevent dealers from impairing the location advantage of each dealership point upon which maintenance of the system is based by restricting Chevrolet dealers from selling new Chevrolet cars from merchandising locations other than those established in accordance with the Chevrolet franchise system.

26. The use by Chevrolet dealers of these outlets also defeats the purpose of the provisions of the Dealer Selling Agreement which prohibit each dealer from transferring or assigning to third parties his sales and service obligations and which provide that the Dealer Selling Agreement is a personal service contract entered into by Chevrolet in reliance upon the personal qualifications of the dealer. The purpose

of these provisions is to prevent Chevrolet's good will from falling into the hands of persons unqualified to carry out the requirements of the franchise system and having no incentive to represent Chevrolet aggressively and loyally.

27. The practice by a Chevrolet dealer of using discount houses or referral services as sales outlets for his sales of Chevrolet automobiles is in derogation of the purposes of the Chevrolet franchise system and violates the Chevrolet Dealer Selling Agreement.

28. There was an average of five other Chevrolet dealers located within five miles of each of the 85 Chevrolet dealer locations in the Los Angeles Metropolitan Area. There is intense intrabrand competition among Chevrolet dealerships. This competition takes various forms, including advertising, sales technique, service performance and selling price. Different dealers emphasize different forms of such overall competition.

29. All Chevrolet dealers in the Los Angeles Metropolitan Area engage in intense competition with dealers in other makes of cars in the Chevrolet price class. There was an average of 22 dealers selling competing makes of new cars (exclusive of competing General Motors makes) who were located within five miles of each of the 85 Chevrolet dealers in the Los Angeles Metropolitan Area. There is intense interbrand competition among all dealerships for all makes of automobiles in the Chevrolet price class.

30. Restricting dealers from selling through discount houses or referral services does not limit price competition. All dealers are free to sell at any price to any customer anywhere and the number and locations of Chevrolet dealers in the Los Angeles Metropolitan Area offer convenient opportunity and adequate choice to potential customers for Chevrolet

automobiles to shop the dealers in the area for the most competitive deal. The number and proximity to each Chevrolet dealer of other Chevrolet dealers as well as dealers in rival makes gives the price-conscious purchaser the freedom and ability to pit the price of one dealer against the prices of the others and to give his patronage to the dealer who offers him the best price.

31. Chevrolet dealers were in vigorous competition with each other in discounting prices in the sale of Chevrolets. As shown by an independent study made by Price Waterhouse & Co. there was no appreciable difference between the prices paid by customers who purchased Chevrolet passenger cars from a dealer through a discount house or referral service and the prices paid by ordinary retail customers who purchased directly from that dealer. The evidence in this case does not support the conclusion that General Motors was endeavoring to maintain a price structure in the sale of Chevrolet automobiles.

32. On the other hand, some of the arrangements whereby new cars were sold through discount houses or referral services interfered with price competition between Chevrolet dealers who were parties to such arrangements and between Chevrolet dealers and those dealers in competing makes who were parties to such arrangements. Several referral services which had such arrangements with several Chevrolet dealers as well as with dealers in other makes of cars made it a practice to emphasize that new cars were available at their locations on a non-negotiable, one-price basis. One of the referral services advertised that it had "controlled prices" at which customers could purchase new Chevrolets and other new cars. It instructed Chevrolet salesmen who handled the referred customers at the Chevrolet dealerships to refuse to

negotiate on price and to quote one price on a "take it or leave it" basis. Another referral service required each dealer to sign a standard form of letter agreement under which the dealer agreed to sell his cars to referred customers at a specified price which was stated as a specified amount above the dealer's invoice cost. The price quoted in said standard form of letter agreements, signed by competing Chevrolet dealers who were using said referral service, was identical and remained fixed over the full model year. Said referral service required the dealers to furnish invoices of sales made to referred customers and regularly checked these to see that the agreed price was maintained by the dealers in respect of all customers referred by said referral service. A substantial number of the sales made by Chevrolet dealers during 1960 through discount houses and referral services were made pursuant to said non-negotiable, one-price, non-competitive arrangements with said referral houses.

33. The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other.

34. Beginning in the summer of 1960, defendant Losor, through some of its dealer-members complained to personnel at the Chevrolet Los Angeles Zone Office about the sale of Chevrolets by some dealers through discount houses or referral services and sought to induce General Motors to take some action respecting

such selling. The Zone Office personnel at that time informed the complaining dealers and some of the dealers selling through discount houses or referral services that although said personnel considered the practice inimical to the Chevrolet franchise system, they had no authorization from their superiors in Detroit to take any action to stop such selling.

35. At a meeting of Losor on November 10, 1960, the Chevrolet dealers there present agreed to write letters or send telegrams and attempt to have their salesmen write letters or send telegrams to General Motors asking that something be done regarding the (discount house) situation. Some such letters and telegrams were sent by members of Losor and their salesmen by reason of such encouragement by Losor, and some were sent independently upon the writer's own initiative. Some members did not send any letters, and some were written by salesmen without the knowledge or consent of the dealer by whom such salesmen were employed. There was no form of letter proposed by Losor, and each member acted independently in composing and sending such letters and telegrams. In encouraging dealer-members and their salesmen to cause letters and telegrams to be sent to officials of General Motors Corporation, Losor sought to bring the facts surrounding the discount house and referral service merchandising of Chevrolet automobiles to the attention of policy-making officials of General Motors in Detroit.

36. The problem of the use of discount houses and referral services as a regular practice by some Chevrolet dealers was first brought to the attention of the General Motors executives in Detroit charged with the responsibility of formulating distribution policy for all car divisions when, in November, 1960, said Central Office executives received a large number of

letters and telegrams from dealers and salesmen in the Southern California area. After investigating and reviewing developments in the use of discount house and referral service outlets throughout the United States, including obtaining a report from the Chevrolet Los Angeles Zone Office detailing the facts as then known regarding the practices in that area, the Corporation's policy concerning General Motors dealers' use of discount houses and referral services was formulated under the direction of the Vice President of General Motors in charge of distribution and approved by the President of the Corporation on or before December 14, 1960. Thereafter, between December 15 and 30, 1960, the policy was announced in substantially identical letters written to every General Motors automobile dealer in the United States including Cadillac, Oldsmobile, Buick and Pontiac as well as Chevrolet dealers. These letters expressed General Motors' opposition to arrangements by dealers with discount houses and referral services in light of the franchise system of distribution and the provisions of the General Motors Dealer Selling Agreements. Simultaneously, General Motors personnel were instructed to meet with each General Motors dealer in the United States to review such policy letter for the purpose of attempting to induce and persuade each General Motors dealer to refrain from entering into arrangements for the sale of new General Motors cars through discount houses and referral services in violation of the Dealer Selling Agreements.

37. The sole motivation for the announced policy and for the instructions given the General Motors personnel was the preservation of the General Motors franchise system, which the Dealer Selling Agreements were designed to effectuate. The General

Motors executives in Detroit regarded the arrangements made by dealers for the sale of new General Motors automobiles through discount houses and referral services as violative of their individual Dealer Selling Agreements. Said executives adopted the policy and issued the instructions to the General Motors personnel with respect to discount house and referral service arrangements on the basis of their long experience in the marketing of automobiles and their conclusion that the practice of the use by dealers of discount house or referral service outlets did not give General Motors the retail representation it needed and would in time result in the destruction of the General Motors franchise system.

38. In some instances, some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams about the "cut rate" or "discount price" offered on sales by dealers through discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the prices at which Chevrolet automobiles were sold since any dealer could sell at any price he desired to any customer anywhere.

39. In carrying out the instructions received from the General Motors Central Office, Chevrolet personnel met with each Chevrolet dealer in the Los Angeles Metropolitan Area individually and endeavored to induce and persuade each such dealer to refrain from the practice of selling new Chevrolets through discount houses or referral services. Consistent with longstanding General Motors policy, the Chevrolet personnel were not instructed to and did not threaten the termination of any dealer's Dealer Selling Agreement, but instead attempted to persuade each dealer to conduct himself in conformance with the obligations of the Dealer Selling Agreement.

40. On December 15, 1960, General Motors had already formulated its policy concerning General Motors dealers' use of discount houses and referral services. On said date Losor, Foothill and DSI representatives met for the first time with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services. At that meeting, Losor dealers advised the representatives of Foothill and DSI of said practice and a committee representing the three defendant dealer associations was appointed to investigate the matter and report back at a later meeting. At said meeting, consideration was also given to advocating legislation which would regulate selling through discount houses and referral services.

41. During the early part of 1961 the three defendant associations, without any prior knowledge or request by General Motors, authorized an investigation to be made to determine if Chevrolet dealers in the Southern California Zone were in fact complying with the provisions of their respective Dealer Selling Agreements and the announced policy of General Motors Corporation pertaining to selling through discount houses and referral services. The investigation was also to be made to secure information to determine if sales made through discount houses or referral services were in compliance with the Motor Vehicle Code of the State of California in order that this information could be submitted to the California State Legislature then in session, in support of a bill to establish an Automobile Dealers Commission to license automobile dealers and their salesmen. Such investigation was made and in the course thereof shoppers were used and certain Chevrolet automobiles were purchased from Chevrolet dealers selling through discount houses.

42. After the commencement of said investigation, the three defendant dealer associations advised the Los Angeles Chevrolet Zone Manager that they were willing to make available to him the information obtained through the shoppers and he asked that they do so, believing that the employees of some Chevrolet dealers might be selling Chevrolet automobiles through discount houses or referral services without the dealer's knowledge. With such information he intended to go back to those dealers and endeavor to persuade them to conduct themselves in conformance with their obligations under the General Motors Dealer Selling Agreements relating to the use of discount houses or referral services as sales outlets. Between late February and early May 1961 the defendant dealer associations purchased seven new Chevrolets through discount houses. The defendant dealer associations supplied the Los Angeles Chevrolet Zone Manager with the name of each selling dealer and the record of each sale and at his direction the Zone Office personnel informed each dealer who had sold one of these shopped cars that the car had been sold through a discount house or referral service and asked said dealer whether he wished to repurchase the car. This was done as an effective method of bringing to the attention of the dealer the fact that his dealership was continuing to operate in violation of the Dealer Selling Agreement. In each instance the dealer repurchased the car.

43. In attempting to persuade General Motors to take some action to bring about the termination of the practice of some dealers of selling through discount houses or referral services and in bringing to the attention of General Motors information obtained by shoppers in 1961 that some dealers were continuing to sell through discount houses or referral services the

defendant dealer associations acted in furtherance of the interests of their dealer-members who were parties to Dealer Selling Agreements with General Motors which obligated all Chevrolet dealers to refrain from selling through discount houses or referral services. They did not act in combination conspiracy, or concert with General Motors. There was no agreement between the defendant dealer associations or any of them, and General Motors as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services.

44. There was no express or implied agreement between defendant associations or between any of them and any of their dealer-members that any of said dealer-members should refrain from selling through discount houses or referral services. At no time did any of the defendant dealer associations impose any sanctions or withdraw any association privileges from any member, director or officer of said associations engaged in selling through discount houses or referral services. At all times members of said associations who engaged in selling through discount houses or referral services, received all of the benefits of association membership including use of the information bureau to assist dealers in making exchanges of cars with other dealers, without restriction or discrimination of any nature and without any coercion or sanctions directed at such members by any of said defendant associations to compel them to discontinue such selling practice. Some of the dealers supplying the greatest volume of sales through discount houses and referral services were, in fact, elected officers and directors of the defendant associations during such period of time.

45. In attempting to persuade individual Chevrolet dealers in the Los Angeles Metropolitan Area to refrain from selling new Chevrolets through discount houses or referral services, and in accepting information as to shopped cars and offering them to the dealers who sold them in order to bring to the attention of such dealers the fact that their dealerships were continuing to operate in violation of the Dealer Selling Agreements, General Motors acted independently in furtherance of its own interests in procuring the conformance of individual Chevrolet dealers to the obligations of their Dealer Selling Agreements and thereby preserving the Chevrolet franchise system. General Motors had no agreement with its Chevrolet dealers other than the Dealer Selling Agreements and it had no agreement with any dealer association. Such action was taken independently and unilaterally by General Motors with respect to each Chevrolet dealer individually, to obtain compliance by each dealer with the obligations he had undertaken in his Dealer Selling Agreement and such action was not taken by General Motors by combination, conspiracy or concert of action with Chevrolet dealers or any of them or with defendants Losor, Foothill or DSI or any of them.

CONCLUSIONS OF LAW

1. The provisions of the Chevrolet Dealer Selling Agreements prohibiting Chevrolet dealers from transferring their sales obligations to others and from establishing a branch sales office without approval of Chevrolet were ancillary to a lawful plan adopted by Chevrolet for the competitive merchandising of Chevrolets and are reasonable. Said provisions are restrictions which promote competition between Chevrolet and its rival manufacturers, between Chevrolet dealers

and dealers in rival makes of cars and between Chevrolet dealers. These provisions do not constitute an unreasonable restraint of competition, are not contracts in unreasonable restraint of trade or commerce and do not violate Section 1 of the Sherman Act.

2. In each Dealer Selling Agreement, there is an implied obligation of good faith and fair dealing and that the parties will do nothing to affect adversely the objects of the agreement. Arrangements by a Chevrolet dealer with discount houses or referral services whereby they performed merchandising functions in the sale of the dealer's Chevrolet automobiles at business locations not approved by Chevrolet defeated the requirements of his Dealer Selling Agreement that the dealer not transfer his sales obligations to others and that he not establish branch sales offices without the approval of Chevrolet. Such conduct by a Chevrolet dealer constituted the doing of that which the dealer had agreed not to do directly and affected adversely the attainment of the objects of the Dealer Selling Agreement. Said conduct was violative of the obligations of the Chevrolet dealer under his Dealer Selling Agreement with Chevrolet. Said provisions of the Dealer Selling Agreement do not constitute an unreasonable restraint of competition, and are not contracts in unreasonable restraint of trade or commerce and do not violate Section 1 of the Sherman Act.

3. General Motors lawfully attempted to persuade and had the legal right to require Chevrolet dealers in the Southern California area to refrain from the practice of selling Chevrolets through discount houses and referral services and thus to conform to the provisions of their Dealer Selling Agreements.

4. General Motors acted solely in its own interests in including in its Dealer Selling Agreements the provisions prohibiting the transfer of the dealer's sales

obligations and the establishing of unapproved branch sales offices, in requiring its dealers to agree to such provisions as a condition of their franchises, and in seeking the conformance of all General Motors dealers to the provisions of their Dealer Selling Agreements. Although the fact of the increasing use by dealers of discount houses and referral services as sales outlets for Chevrolet automobiles was called to the attention of General Motors by Chevrolet dealers in the Southern California area, General Motors did not act jointly or in combination, conspiracy or concert of action with said dealers or with Losor, DSI or Foothill or in aid of said dealers, Losor, DSI or Foothill. General Motors acted independently and unilaterally as to each dealer individually and solely in its own interests in aid of its franchise system.

5. Since General Motors was legally entitled to enforce its Dealer Selling Agreements, its independent action was not changed into a combination or conspiracy because such action was requested by some dealers or defendant dealer associations or because some dealers or defendant dealer associations brought to its attention transactions which violated those contracts. To hold that a conspiracy arises where a person is requested by other persons to exercise his legal rights and he does so, would preclude legitimate communication between business organizations. The mere fact that General Motors brought about a result that was desired by some of the Chevrolet dealers is not sufficient to raise an inference of conspiracy.

6. Defendant General Motors, Losor, DSI and Foothill and the alleged co-conspirators did not engage in a group boycott of discount houses or referral services. The fact that General Motors and each of its Chevrolet dealers in the Southern California area had entered into a Dealer Selling Agreement by which

the dealer was restricted from transferring his sales obligations to others and from establishing branch sales offices at locations other than his place of business approved by Chevrolet and that the effect of such restrictions was to prohibit the dealer from entering into arrangements for the sale of Chevrolet cars through discount houses did not constitute a group boycott of discount houses or referral services. Said restrictions in each of said agreements were lawful and the fact that there was more than one agreement and that General Motors induced and persuaded all Chevrolet dealers in the Southern California area to abide by said restrictions in their agreements and that all said dealers abided by said restrictions did not constitute a group boycott by said dealers or by General Motors and said dealers or by any of defendants.

7. General Motors did not engage in any combination or conspiracy with defendants Losor, DSI or Foothill or with any of the alleged co-conspirators whether consisting of a continuing agreement, understanding or concert of action with said defendants or with alleged co-conspirators or otherwise to suppress or eliminate competition in the sale or distribution of Chevrolets in the Southern California area in unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act, or otherwise.

8. Defendants Losor, DSI and Foothill did not engage in any combination or conspiracy with each other or with General Motors or with any of the alleged co-conspirators whether consisting of a continuing agreement, understanding or concert of action with or among said defendants or with said alleged co-conspirators, or otherwise, to suppress or eliminate competition in the sale or distribution of Chevrolets in the Southern California area in unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act, or otherwise.

9. The Government's proof failed to support the allegations of its complaint.

10. Defendants are entitled to judgment that plaintiff take nothing by its action.

Dated: Sept. 14, 1964.

CHARLES H. CARR,

Judge.

Approved as to form as provided in Rule 7(a) of the Rules of the United States District Court for the Southern District of California.

-----,
Attorney for Plaintiff.

Received copy of the within Findings of Fact and Conclusions of Law this 31st day of August, 1964.

MAXWELL M. BLECHER,
Attorney for Plaintiff.

APPENDIX C

United States District Court, Southern District of
California, Central Division

Civil No. 62-1208-CC

UNITED STATES OF AMERICA, PLAINTIFF

vs.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.; AND
FOOTHILL CHEVROLET DEALERS ASSOCIATION, DE-
FENDANTS

JUDGMENT

This cause came on regularly for trial on June 16, 1964, before the Honorable Charles H. Carr, Judge of the above-entitled Court and the issues having been duly tried and the Court having made its findings of fact and conclusions of law, Now, THEREFORE, in accordance with said findings of fact and conclusions of law,

IT IS ORDERED, ADJUDGED AND DECREED that plaintiff take nothing by this action.

Dated: Sept. 14, 1964.

CHARLES H. CARR,
Judge.

Approved as to form as provided in Rule 7(a) of the Rules of the United States District Court for the Southern District of California.

-----,
Attorney for plaintiff.

Received copy of the within Judgment this 31st day of August, 1964.

MAXWELL M. BLECHER,
Attorney for plaintiff.

(44a)

IN THE

JOHN F. DAVIS, CLERK

Supreme Court of the United States

OCTOBER TERM, 1964

UNITED STATES OF AMERICA,

Appellant,

v.

GENERAL MOTORS CORPORATION; LOSOR

CHEVROLET DEALERS ASSOCIATION;

DEALERS' SERVICE, INC.; AND

FOOTHILL CHEVROLET DEALERS ASSOCIATION,

Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

**MOTION OF APPELLEE
GENERAL MOTORS CORPORATION
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IN THE
Supreme Court of the United States

OCTOBER TERM, 1964

No. 820

UNITED STATES OF AMERICA,

Appellant,

v.

GENERAL MOTORS CORPORATION; LOSOR

CHEVROLET DEALERS ASSOCIATION;

DEALERS' SERVICE, INC.; AND

FOOTHILL CHEVROLET DEALERS ASSOCIATION,

Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

**MOTION OF APPELLEE
GENERAL MOTORS CORPORATION
TO AFFIRM**

Pursuant to Rule 16, paragraph 1(c), of the Revised
Rules of this Court, General Motors Corporation moves
that the judgment of the District Court be affirmed.

STATEMENT

This is a direct appeal from the final judgment of the
District Court dated September 14, 1964, in a civil
antitrust case. The District Court held, after trial, that
appellees did not engage in the alleged combination to
suppress competition in the sale and distribution of

Chevrolet automobiles in the Southern California area in violation of Section 1 of the Sherman Act.*

A more complete Statement of the case than that contained in the Jurisdictional Statement is necessary for consideration of the Question Presented.

1. The Chevrolet franchise plan of marketing.

Chevrolet dealerships are locally owned and operated by independent businessmen under franchise agreements with Chevrolet.** Among the rights granted by these franchise agreements, called "Dealer Selling Agreements," are the non-exclusive right to purchase new Chevrolets at dealer prices and the right to re-sell them in a manner which will promote sales and preserve the good will of Chevrolet. The dealers' rights and obligations are personal and not transferable. Chevrolet grants such rights based upon its judgment as to the number of dealer outlets which are necessary for the operation of its franchise plan (Fdgs. 9, 11, 16, 25, 26; GX-1, Exhibits 2-7 thereto; Tr. pp. 423-425).

Under the Dealer Selling Agreements, the location of each dealer must be specifically approved by Chevrolet and the dealer is not permitted to establish an additional location or a branch office or to transfer his sales obligation to others without the prior written approval

*The identical issue was presented to a different judge of the Southern District of California in an earlier trial upon an indictment returned against appellees here and four Chevrolet officials. After four months of trial, the Court granted a judgment of acquittal at the conclusion of the Government's case. 216 F.Supp. 362 (1963) (opinion and judgment).

**General Motors Corporation manufactures and distributes Chevrolets through its Chevrolet Motor Division (herein called "Chevrolet").

of Chevrolet. The location clause was adopted by Chevrolet in 1940 and is uniformly included as a part of all General Motors Dealer Selling Agreements. It was not adopted at the instigation or inducement of the dealers. On the contrary, it was developed by General Motors exclusively to serve its own interests, following many years of market analysis and practical experience. In adopting the clause, General Motors' aim was to insure that its careful planning to achieve the optimum coverage of the market and thus to further competition with other makes would not "be defeated by the haphazard actions of individual dealers" in establishing additional outlets (App. B to Tr., p. 83; Tr. 255-256; 333-337; 556).

Chevrolet dealers have complete freedom to sell at any price they choose and they do. General Motors exercises no control whatsoever over the dealers' pricing of their cars (Fdg. 10; Tr. 343-344; 627). They have complete freedom to sell to any customer wherever he may be located and they do. No class of customers is excluded. "Cross-selling" is not prohibited; there is no geographical or territorial barrier — neither territorial security nor territorial exclusivity.* The customer can purchase his Chevrolet from any dealer anywhere at any price he can negotiate. (Tr. 342-344; 624; App. C to Tr. p. 61.)

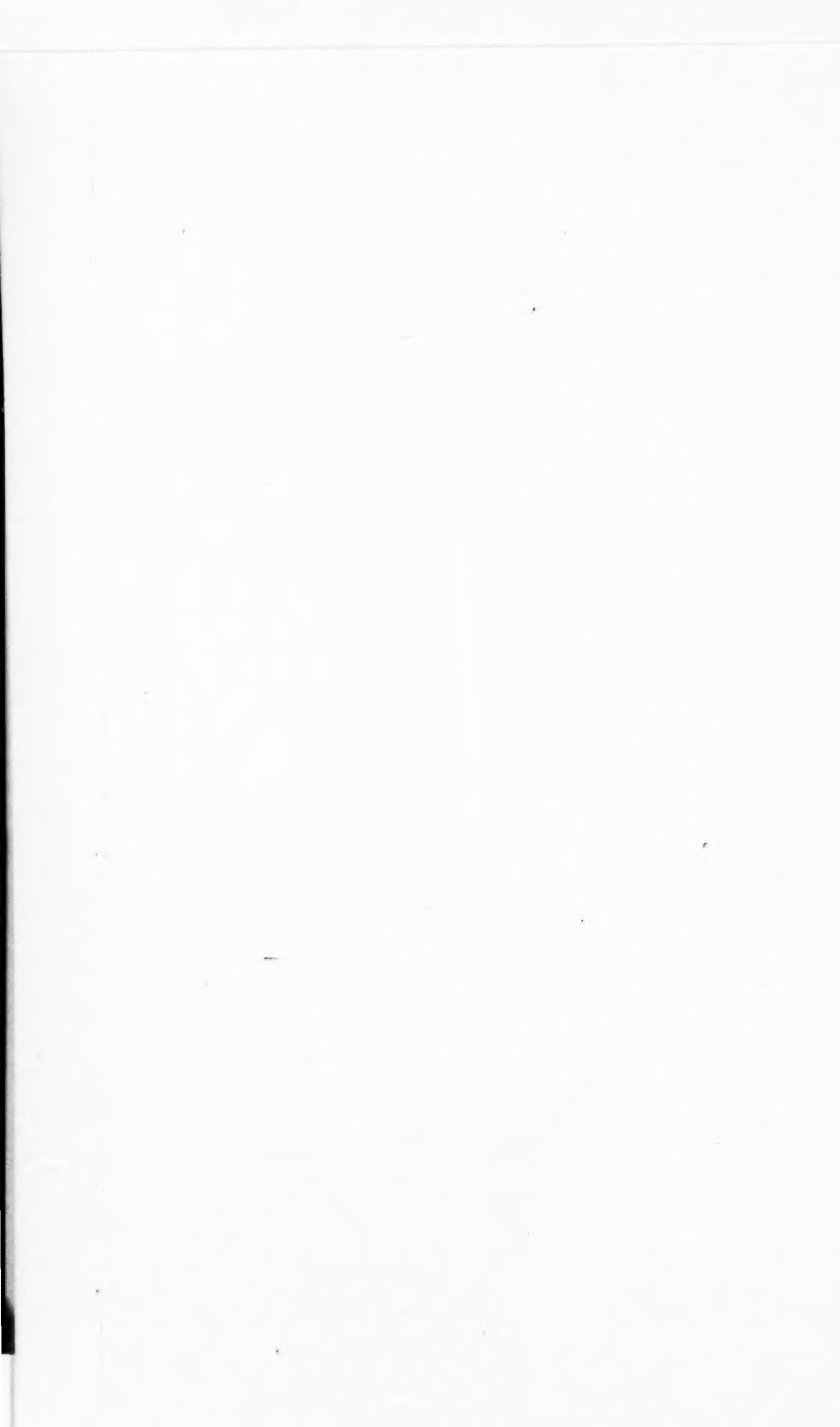
Under the Chevrolet franchise plan, Chevrolet appoints what its studies show are the right number of dealers located in the right places to make sales and service facilities and parts supplies conveniently available to consumers (Tr. 423-425; 631-632; 337; App. B to Tr. p. 91).

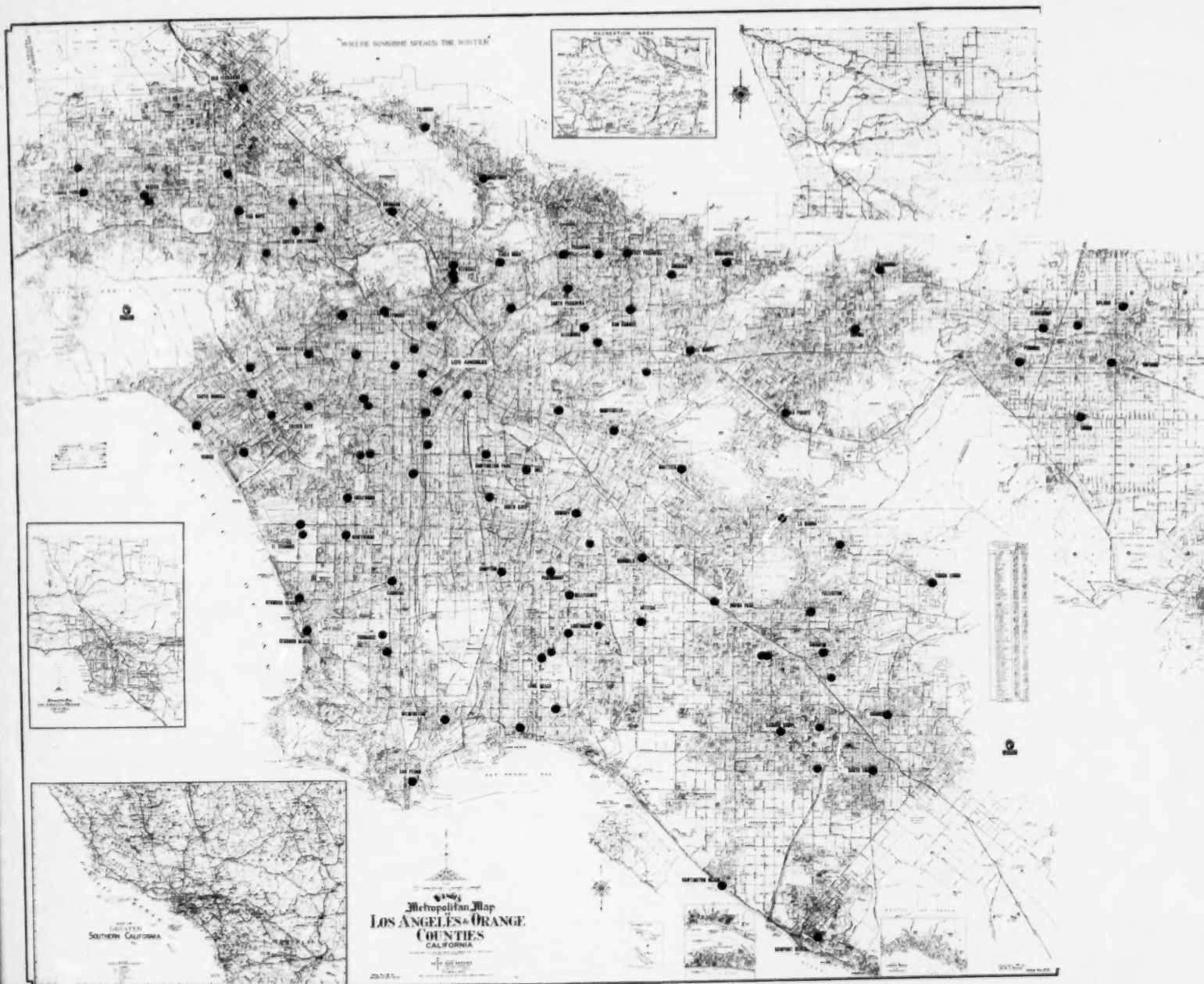
* Unlike the contracts which were the subject of *United States v. White Motor Co.*, 272 U. S. 253.

Such strategic location of dealers is essential because Chevrolets kept in proper working order at conveniently located service facilities keep customers satisfied and satisfied customers, as repeat buyers, constitute 70% of the purchasers of new Chevrolets (Tr. 259-260). It is also essential because it enables Chevrolet to achieve a needed continuity of representation by providing for each dealer a sales potential adequate to enable him to continue in business if he competes vigorously and effectively.

This continuity affords Chevrolet representation year in and year out, in the peaks and valleys caused by business cycles and model changes. It is important to Chevrolet not only because the dealer can thereby provide conveniently located sales and service facilities and parts supplies to consumers, but also because he can perform ancillary functions such as conditioning cars for delivery, remedying latent defects which occasionally occur in mass production, performing warranty obligations, and making the market estimates which close contacts with consumers make possible and which are required for orderly manufacturing schedules (Fdgs. 11-13; Tr. 308-366; 423-425; App. B to Tr. pp. 68-86).

The locations of the 85 Chevrolet dealers throughout the Los Angeles Metropolitan Area (which includes most of Los Angeles and Orange counties and is the area involved in this action) are graphically shown on the map (GMX-A) reproduced as an insert between this page and the next page. The blue dots are Chevrolet dealers; the red dots are discount houses and referral services used by some of the Chevrolet dealers.





Los Angeles Metropolitan Area



Under the Chevrolet franchise plan, each dealer has the obligation to develop the sale of Chevrolets in his "area of sales responsibility." In the Los Angeles Metropolitan Area, each dealer's "area of sales responsibility" is the entire metropolitan area (GX-1, Par. 17). This means that the 85 Chevrolet dealers in the area must compete for customers throughout the entire area. Under the plan, each dealer's location gives him an opportunity of contact with customers in his neighborhood, but if he does not meet or beat the prices and other competitive efforts of the other 84 dealers, he will be unable to capitalize on this opportunity (Fdg. 17). Thus, the plan is based on the principle of vigorous competition between dealers under a marketing plan in which each operates from an agreed location and may not transfer his selling obligation to others.

As shown by the map, there is an average of five other Chevrolet dealers within five miles of each of the 85 Chevrolet dealers in the Los Angeles Metropolitan Area (GMX-J). In addition, within the five mile area there is an average of 22 dealers in competing makes of new cars, exclusive of competing General Motors makes (GMX-B and J). There is intense *intra*brand competition — primarily price and service competition — among Chevrolet dealers, and there is intense *inter*brand competition — as to price, service, style and performance — between Chevrolet dealers and dealers for all other makes of automobiles (Fdgs. 28-29).

Upon the basis of uncontradicted evidence, the trial court found the facts to be:

"The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other." (Fdg. 33)

2. Chevrolet dealers' use of unauthorized outlets.

In the early summer of 1960, some Chevrolet dealers in the Southern California area were selling new Chevrolets pursuant to agreements under which unauthorized outlets (discount houses*) performed many of the merchandising functions normally performed by Chevrolet dealers. These discount houses, which operated at locations removed from the approved location of the Chevrolet dealer involved, maintained new car sales departments which advertised Chevrolets and distributed Chevrolet promotional literature (Fdgs. 18-19).

In every case, the sale of the new Chevrolet to the customer was made by the Chevrolet dealer *through* the discount house with title passing directly from the dealer to the customer. In no case did the dealer sell *to* the discount house, and in no case did the discount house make a resale (Fdg. 19).

* As does appellant, we shall use the words "discount houses" to cover both discount houses and referral services.

(a) Prices of sales through discount houses.

The sale of Chevrolets through these unauthorized outlets did not enable the dealers who used them to sell at lower prices than they sold directly to their ordinary customers, and thus the additional outlets were not "discount houses" in the usual connotation of that term as an outlet which sells for less. The evidence is, and the trial court found:

"As shown by an independent study made by Price Waterhouse & Co., there was no appreciable difference between the prices paid by customers who purchased Chevrolet passenger cars from a dealer through a discount house or referral service and the prices paid by ordinary retail customers who purchased directly from that dealer. (Fdg. 31)

The Price Waterhouse & Co. study, which took more than 10,000 man hours to complete, concerned the 1960 sales of the seven dealers who sold almost all (96%) of the Chevrolets which were sold through discount houses. The median price at which those dealers sold directly to ordinary customers was \$220 over dealer's invoice cost, while the median price at which they sold to customers through discount houses was \$235 over dealer's invoice cost (GMX-DB). Appellant asserts that Chevrolet dealers sold Chevrolets through discount houses "often for only \$165 more than dealer's invoice cost" (J.S. 3). The fact is that in 1960 the dealers studied by Price Waterhouse & Co. sold 1461 (or 24.5%) of their total direct sales of 5970 cars to ordinary customers for \$165 or less over dealer's invoice cost, whereas they sold 143 (or 10.7%) of their total sales of 1336 cars

through discount houses at \$165 or less over dealer's invoice cost (GX-212).

Chevrolet dealers "almost always sold at a discounted price from the manufacturer's suggested list price, which, as a matter of law, has to be stated and affixed to each car" (Tr. 436). The uncontradicted evidence is that if a customer is not satisfied with the prices quoted by one dealer, he can go to another conveniently located dealer. Since the Los Angeles Metropolitan Area is interconnected by a web of high speed freeways, every person in the entire area has easy access to many dealers, including one or more of the seven dealers studied by Price Waterhouse & Co. from whom customers, on the average, could purchase Chevrolets at lower prices than through discount houses (GMX-A). By the same token, dealers solicit customers on an area-wide basis.

Statements as to isolated discount house prices in some of the letters and telegrams of complaint by dealers and salesmen were double hearsay and were not offered or received in evidence as proof of prices at which Chevrolets were sold through discount houses (Tr. 226-235). At the trial, counsel for appellant stated that such letters and telegrams were not offered "to establish the fact that the discount houses were, in fact, selling for less than the dealers" (Tr. 232). The Price Waterhouse & Co. study is the only evidence in the record of the prices of dealers' direct sales to ordinary customers as compared to their sales through discount houses, and, as stated above, it shows that the customer did not receive a price advantage in buying from dealers through discount houses rather than directly from such dealers.

The prices charged on sales through discount houses had nothing to do with General Motors' decision to urge dealers not to use discount houses as additional sales outlets (Fdg. 38). However, in view of the statements made by appellant (J. S. 14-15), it is worth noting that, rather than promoting price competition, arrangements between dealers and discount houses in many instances inhibited both interbrand and intrabrand competition. At FEDCO, the largest discount house automobile operation in the area (Dealers Diversified Services, Inc.) had a "one-price policy" (App. B to Tr., p. 30). Under the uniform written agreement with the discount house (which was also used for dealers in Ford, Plymouth, Rambler and other competitive makes of cars), each Chevrolet dealer doing business with FEDCO was obligated to sell to customers referred by the discount house at the same specified price over dealer's invoice cost (Fdg. 32; GMX-AP; App. B to Tr., pp. 23-30). The adverse effect of these arrangements upon price competition is shown by the fact that in 1960 there were only four Chevrolets sold through FEDCO at \$165 or less over dealer's invoice cost — not even 1% of the 594 sales through FEDCO — whereas 18.7% of the 1243 direct sales to ordinary customers made by the dealers concerned were at \$165 or less over dealer's invoice cost (App. B to Tr., 27; GX 145-152; 212; GMX-AP). Fleet Sales Company (the second largest discount house automobile operation in the area) also had a "one-price" arrangement with each of three Chevrolet dealers. These dealers were obligated to quote the "prearranged prices" on a "take it or leave it basis" and could not negotiate lower prices with the referred customers even though the failure

to do so might result in the loss of the sale (App. B to Tr., pp. 9, 35-38). It is significant that 60% of all the Chevrolets sold through what appellant calls a "new form of merchandising in the automobile industry" (J.S. 10) were sold through these two discount houses operating under "one-price" plans (GX-212).

(b) Effect of sales through discount houses.

By 1960, there were 23 discount house outlets in the Los Angeles Metropolitan Area through which Chevrolets were being sold.* These discount houses were outlets or locations for the merchandising of Chevrolet dealers' new Chevrolets in addition to the outlets whose number and location had been determined by Chevrolet as optimum for the proper operation of its franchise plan. They were a way of accomplishing that which was prohibited by the provision of the Dealer Selling Agreements requiring dealers to refrain from establishing additional locations or branch sales offices without the written approval of Chevrolet (Fdgs. 20, 26; App. A to Tr. pp. 89-90). The use by Chevrolet dealers of discount house outlets also defeated the purpose of the provisions of the Dealer Selling Agreement that the agreement is a personal service contract and that each dealer is prohibited from transferring or assigning his sales obligations to third parties (Fdgs. 26-27; GX-1, Exh. 2.1-2.3; App. A to Tr. 89-90).

General Motors' experience has been that adding dealer points for the same sales potential results in dealer mor-

* As shown by GX-1, the 23 discount house locations were dispersed throughout the metropolitan area and only five were located in Orange County (compare J.S. 4).

talities. This prior experience indicated that Chevrolet dealers' use of discount houses as outlets for the sale of new Chevrolets would cause the withdrawal from business of a substantial number of Chevrolet dealers. (App. A to Tr., pp. 87-90; App. B to Tr., pp. 76-77; Tr., pp. 375, 379-382; 437; 632-634). As shown by a study made by Price Waterhouse & Co., the first ones to go would be the smaller dealers (App. C to Tr., pp. 5-6; 10-21; 116), leaving the larger dealers, haphazardly located, with their discount house satellites (Tr. 380-381).

Discount houses do not provide Chevrolet with the kind of retail selling organization needed for Chevrolet's competition with its rivals. They do not promote Chevrolet sales, and Chevrolet cannot depend upon them to provide an active and aggressive sales effort year in and year out through the peaks and valleys (App. B, Tr. p. 30; Tr. 380-382). They cannot provide convenient service facilities or parts supplies to Chevrolet owners. They cannot be relied upon to provide, directly or through the dealers under which they operated, the expert and detailed market information required for orderly manufacturing scheduling (Tr. pp. 416-423).

3. Action taken by General Motors to stop dealers' use of discount houses as additional sales outlets.

The use of discount houses as sales outlets as a regular practice by some Chevrolet dealers in the Southern California area was first brought to the attention of the General Motors executives in Detroit in November, 1960,

when they received a large number of letters and telegrams from Southern California dealers and salesmen (Tr. pp. 440-442). Many were Chevrolet dealers; others were dealers in other makes of General Motors cars (Tr. p. 444). They made various complaints and asked General Motors and Chevrolet to bring the practice to an end.

General Motors thereupon made its own investigation and study of the use of discount houses as sales outlets by dealers for all makes of General Motors cars in Southern California and other areas. No dealers or dealer organizations were consulted (Tr. pp. 444-445; 448; 605).

Upon the basis of this study, General Motors, acting under the direction of its Vice President in charge of distribution and with the approval of its President, on December 14, 1960, formulated the corporation's position in a letter which was thereafter sent to all Cadillac, Oldsmobile, Buick, Pontiac and Chevrolet dealers in the United States numbering over 15,000. The letter expressed the corporation's opposition, in the light of the dealer's obligations under their Dealer Selling Agreements, to arrangements by dealers with discount houses for the sale of the dealers' new cars through such discount houses. It pointed out that such practices could represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Dealer Selling Agreements. It advised that personnel of the several motor car divisions were being instructed to meet with General Motors dealers for the purpose of attempting to induce and per-

suade each such dealer to refrain from entering into arrangements for the sale of new General Motors cars through discount houses in violation of his Dealer Selling Agreement (App. A to Tr. pp. 76-77; GMX-AU and AV; Tr. pp. 447-448; 451-452).

Thereafter, individuals representing the appellee dealer associations, acting independently of General Motors, shopped discount houses in the Los Angeles Metropolitan Area, and by purchasing new Chevrolets from some dealers through discount houses found that some dealers were continuing to use discount houses as sales outlets. They so informed the Los Angeles Zone Office of Chevrolet which brought each shopped car to the attention of the dealer who sold it and asked him whether he wished to repurchase the car. The Zone Office, realizing that dealers employ many salesmen, recognized that "it was quite possible for a car to get away from a dealer without him knowing anything about it" and regarded this as a "very effective means of bringing to the attention of the dealers" that this had happened (Tr. 745-746, 896). This was a way of showing the dealers that "there was a possible violation of the selling agreement" and of trying to "persuade them to stop it" (Tr. 786).

The District Court heard the testimony of the President of General Motors and the Vice President in charge of distribution who acted for the corporation in this matter, as well as the Los Angeles Chevrolet Zone Manager who was in charge of carrying out the corporation's instructions. Having seen the witnesses and observed their demeanor, the court expressly found that General

Motors had acted independently and without combination, conspiracy or concert of action with the Chevrolet dealers or the appellee dealer associations (Fdgs. 37 and 45).

At the conclusion of the testimony and argument, the District Court announced its opinion and decision in favor of appellees and directed that the proposed findings which had been lodged by appellees with the Court prior to argument should be consolidated and modified to reflect the gist of his opinion (J.S., App. A, p. 11a). Thereafter, revised findings of fact were lodged by appellees, and appellant filed objections on September 10, 1964. The District Court made modifications of the findings in response to the objections, added a paragraph to the conclusions and signed and filed the Findings of Fact and Conclusions of Law on September 14, 1964. (J.S., App. B).

ARGUMENT

Appellant's complaint alleged that General Motors was engaged in a "combination and conspiracy to suppress and eliminate competition in the sale and distribution of Chevrolet automobiles in the Southern California area" (Par. 16). The Jurisdictional Statement is built on the *assumption* that there was such joint action between General Motors and its franchised Chevrolet dealers, and that such joint action was proved. This assumption is reflected in the Question Presented which refers to "an arrangement" between General Motors and the Chevrolet dealers and is even more apparent in the appellant's repeated but unsupported references to the "joint efforts"

of General Motors and the Chevrolet dealers (J.S., 10, 11, 12).

The findings are flatly to the contrary. The District Court found, with overwhelming support in the evidence, that General Motors acted independently — not jointly — to obtain compliance with a valid provision of its Dealer Selling Agreements. Appellant has not challenged these findings as “clearly erroneous” and accordingly they are decisive of the allegation of combination and conspiracy which the Government made but failed to prove.

1. The District Court found that General Motors acted independently.

Every Chevrolet dealer has the unconditional freedom to sell Chevrolets “to anyone, anywhere, at any price” (GMX-AY, p. 3; Fdg. 10).^{*} The location clause in the Dealer Selling Agreements, which is of central importance here, merely prevents the dealer from establishing additional locations or branch offices without the prior approval of Chevrolet (see Statement, *supra*, pp. 2-5). General Motors sought to obtain compliance with this clause when it acted in 1960 to persuade Chevrolet dealers to refrain from using discount houses as additional outlets for the sale of the dealers’ Chevrolets (Fdg. 36).

^{*} Appellant’s argument (J.S. 11) that discount houses should not be precluded from retailing automobiles is beside the point. This case does not involve any restriction on sales by manufacturers or dealers to discount houses for resale, as appellant recognizes (J.S. 4), and accordingly the District Court’s ruling does not “deny to the automobile buying public the type of discount house selling that has been successfully employed for most other consumer products” (J.S. 11).

Reflecting his oral opinion (J.S. App. A, pp. 9a-10a), the District Judge specifically found such action by General Motors to be independent, not joint:

"... Such action was taken independently and unilaterally by General Motors with respect to each Chevrolet dealer individually, to obtain compliance by each dealer with the obligations he had undertaken in his Dealer Selling Agreement and such action was not taken by General Motors by combination, conspiracy or concert of action with Chevrolet dealers or any of them or with defendants Losor, Foothill or DSI or any of them." (Fdg. 45)

The District Court also found that the "sole motivation" for General Motors action was the preservation of its franchise system (Fdg. 37)*.

To establish the joint action which is the necessary premise of its argument, the Government has the burden of showing that these findings of independent action by General Motors are "clearly erroneous." Rule 52(a), Federal Rules of Civil Procedure; *International Boxing Club v. United States*, 358 U.S. 242. Such "findings as to the design, motive and intent with which men act depend peculiarly upon the credit given to witnesses by those who see and hear them." *United States v. Yellow Cab*, 338 U.S. 338, 341. On review, they will not be

* A comprehensive study of the franchise system of distribution made in 1963 by the University of Minnesota for the Small Business Administration found that it results in a "broadening of the economic base of the country by the encouragement of small business". *Lewis and Hancock, The Franchise System of Distribution* (1963), 91.

set aside even though the Supreme Court "might give the facts another construction, resolve the ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent." *United States v. Real Estate Boards*, 339 U.S. 485, 495.

2. The supporting evidence is substantial.

The finding of independent action is fully supported by the testimony of the General Motors officials who were responsible for the action taken.* The District Judge listened to these witnesses, observed their demeanor, and heard them cross-examined. In several instances, he joined in the questioning on this very point (Tr. 608-609, 786).

In addition to the direct testimony of the responsible General Motors officials, there was an abundance of evidence showing the basis for such independent action.

(a) The location clause.

Under the location clause of the Dealer Selling Agreements, Chevrolet has the sole discretion to permit a dealer to "establish a new or different location, branch sales office, branch service station, or place of business" (G.X.-1, Exh. 7.2). This location clause was developed by General Motors commencing in 1940 to serve exclusively its own interests. It was not adopted at the instigation of the dealers, and they have no reciprocal right to prevent Chevrolet from approving the estab-

* John F. Gordon, President of General Motors (Tr. 599-608); James M. Roche, Vice President in charge of distribution (Tr. 440-458); Robert M. O'Connor, Los Angeles Chevrolet Zone Manager (Tr. 709-787).

lishment of additional dealer outlets (App. B to Tr., p. 83; Tr. 333-334, 556).

The complaint, which charges a combination and conspiracy between General Motors and Southern California Chevrolet dealers and their dealer associations, does not allege that the location clause or any other aspect of the Dealer Selling Agreement is an unlawful vertical agreement. The jurisdictional statement, however, now advances such an argument (J.S. 16-17). If the obligation of Chevrolet dealers to refrain from selling through discount houses as additional outlets is considered a restraint of competition at all, it is so minimal and so contributes to the long-term enhancement of competition that there can be no substantial question of its reasonableness (Fdg. 33; Concl. of Law 1). The one case which has considered the location clause held it to be reasonable and valid. *Boro Hall Corp. v. General Motors Corp.*, 124 F.2d 822 (2nd Cir. 1942); rehearing denied 130 F.2d 196 (2nd Cir. 1942); *cert. denied* 317 U.S. 695; cf. *White Motor Co. v. United States*, 372 U.S. 253, where much more restrictive contractual provisions were held not illegal *per se*.

The minimal location restriction of the Chevrolet franchise plan prevents the sale of Chevrolets in a metropolitan area such as Los Angeles from becoming concentrated in a relatively few large dealers using discount house satellites (Tr. 380-385; App. C to Tr., pp. 5-6, 10-21, 116). The provision against unauthorized outlets, unlike territorial exclusivity or territorial confinement, does not interfere with free and unfettered competition carried on from the locations to which the manufacturer and each

dealer agree.* As the District Court indicated, they are minimum restrictions necessary for the operation of the franchise system (J.S. App. A, pp. 7a-8a).

Indeed, if the location clause is to be struck down as unreasonable, it is difficult to conceive of any provision of an automobile franchise contract that would not meet a similar fate. The standard clauses requiring a dealer to invest a minimum amount of capital, to have a showroom of adequate size, to stock an inventory of parts and accessories, to maintain adequate service facilities, to honor claims under the manufacturer's warranty, and to furnish reports needed by the manufacturer to establish production schedules — all impose some limitation on the freedom of the dealer (GX-1, Exh. 3.2). That imposed by the location clause is no less reasonable. Without these minimum provisions, the modern franchise system — with all it has done to combine the economic benefits of large scale manufacture with the values of independent businesses locally owned and operated — could not survive.

* Although appellant belatedly charges General Motors with "stabilization of prices" (J.S. 15), the complaint made no such allegation and, at the trial, appellant failed to produce any kind of a price study on which to base such a charge. Far from showing price stabilization by General Motors, the only evidence in the record regarding comparative prices (the Price Waterhouse & Co. study) shows that the sale of Chevrolets through discount houses did not enable the dealers who used such outlets to sell at lower prices than those at which they sold to their ordinary customers. The discount house arrangements made by some dealers did, however, tend to stabilize those dealers' prices (see Statement, pp. 7-10).

The trading of grain in the Chicago grain market presented unique marketing problems and was properly made the subject of a marketing plan with agreed regulations. *Chicago Board of Trade v. United States*, 246 U.S. 231, 238. Automobiles also present unique distribution problems which necessitate use of a plan of marketing. The factors that have impelled all automobile manufacturers to adopt franchise plans of marketing are described in the Findings of Fact (Fdgs. 12 and 15). Under the General Motors franchise plan, all dealers are left free to compete with one another for sales to any person anywhere at any price. The ground rules are the minimum ones necessary to promote such competition. Reasonable ground rules in a marketing plan which promotes and does not suppress competition are not unlawful. *Chicago Board of Trade, supra*, at 238.

(b) Adverse effects of additional outlets.

General Motors had legitimate business reasons of its own for taking action under the location clause to dissuade its dealers from establishing additional dealer outlets at discount houses—reasons having nothing to do with the requests of the Southern California dealers. General Motors makes extensive studies to determine the right number of Chevrolet dealers located in the right places. The number and places so selected enable the dealers to perform the sales and service functions essential to the marketing of Chevrolets and at the same time provide each dealer a sales potential that enables him, operating competitively, to give Chevrolet a continuity of representation in the peaks and valleys of automobile merchan-

dising, year in and year out* (see Statement, *supra*, p. 2-6).

The trial court found that the failure to restrict the use of discount houses as additional outlets would in time cause the withdrawal from business of a substantial number of Chevrolet dealers, resulting in the haphazard location of the remaining large dealerships with their discount house satellites (Fdg. 22-23). Appellant asserts that these findings are nothing more than "speculative, unsupported conclusions" (J.S., pp. 19-21). However, the evidence shows that General Motors' judgment that additional outlets would impair its franchise system was based upon forty years of study, market analysis, and experience. The lesson of these forty years was that too many outlets in an area in relation to the area's sales potential resulted in dealer mortalities, an inadequate distribution system, poor service, and reduced sales (App. B to Tr., pp. 64-68, 76-77; App. A to Tr., pp. 88-89; Tr. 632-634).

In General Motors' view, the use of discount houses as additional locations do not provide Chevrolet with the kind of retail selling organization needed for Chevrolet's competition with its rivals for the reasons set forth in Finding 24. Because General Motors had its own reasons, it did not consult with any dealer or dealer association in connection with stating its position on sales through

* Because automobile registration data in public records show addresses of new car purchasers and makes of cars purchased, it is possible to calculate with accuracy the Chevrolet sales potential of an area and to determine the optimum number of strategically located dealers for the area (App. B to Tr., pp. 63-72).

discount houses (Tr. 444-449). Moreover, General Motors dealt with the problem on a nationwide basis, stating its position to all of its dealers in the United States for all of its automotive lines, not just to Chevrolet dealers in Southern California as might have been expected if it had engaged in the combination charged (Tr. 448).

Appellant has fallen far short of sustaining its burden of showing that the Court's finding of independent action by General Motors is "clearly erroneous." Indeed, appellant does not address itself directly to this central question but instead advances its own version of the events involved, based upon selected facts not all of which are supported by the record.* The District Court, however, heard all of the evidence and sustained General Motors' view of the facts (J.S., p. 5-7). In short, in two successive trials on the Government's charge of joint action between General Motors and the Chevrolet dealers, "the Government's evidence fell short of its allegations — a not uncommon form of litigation casualty from

* An illustration is the following passage from the appellant's statement:

" . . . On December 15, 1960, the officers of the three appellee dealer associations held a joint meeting at which they appointed a committee to find methods of combating discount house selling (G.X. 119). They informed the Los Angeles Chevrolet Zone Office of this action (*ibid.*)

"As a result of this campaign, General Motors decided . . ."
(J.S., p. 6).

The record, however, is clear and uncontradicted that the General Motors decision was made on December 14, 1960, and thus could not possibly have been influenced by the December 15 meeting (App. A to Tr. pp. 76-77).

which the Government is no more immune than others.”
United States v. Yellow Cab, 338 U.S. 338, 341.

3. **The cases involving *per se* restraints are inapposite.**

Appellant places great reliance on *United States v. Parke, Davis & Co.*, 362 U.S. 29, but that analogy is “misleading” and “deceptive” here, just as it was in the *White Motor* case, 372 U.S. 253, 266, 268 (concurring opinion). The crucial difference is that the individual vertical agreements spelled out by the Court in *Parke, Davis* were illegal *per se* because they involved resale price maintenance in the absence of the statutory exception (362 U.S. 45-47). As a result, the “understandings” between manufacturer, wholesalers, and retailers in *Parke, Davis* were agreements to achieve an unlawful purpose—the enforcement of the underlying illegal vertical price-fixing agreements. See *Turner, The Definition of Agreement Under the Sherman Act: Conscious Parallelism and Refusals to Deal*, 75 Harv.L.Rev. 696-698 (1962).

In contrast to *Parke, Davis* and the other *per se* cases relied upon by appellant (J.S. 13), the basic provision of the vertical agreement involved here is the location clause which was upheld as reasonable in *Boro Hall Corp. v. General Motors Corp.*, *supra*, and which is a minimal restriction essential to the operation of a franchise plan. This clause was originated by General Motors for its own business purposes almost a quarter of a century ago and is uniformly included in all its Dealer Selling Agreements (Tr. 333-334, 556). There is no valid parallel between General Motors’ efforts to secure dealer compliance for

its own purposes with this valid, long-standing restriction and Parke, Davis' role as the "organizer of a price maintenance combination" through a series of individual agreements, each one illegal *per se*.

In his oral opinion, the District Judge correctly held:

"Since General Motors was legally entitled to enforce its contracts, the mere urging of some of its dealers for assistance would not seem to change an independent action by General Motors into a combination or conspiracy." (J.S. App. A, p. 9a)

No case holds that a manufacturer is paralyzed and cannot seek compliance with lawful marketing agreements because a group of dealers may ask him to do something about violations by other dealers of a provision contained in each dealer's agreement. There is no such doctrine of "automatic" conspiracy. *Cf. United States v. Twentieth Century-Fox*, 137 F.Supp. 78, 90-92 (S.D. Cal. 1955).

The distinctions between this case and *Interstate Circuit Inc. v. United States*, 306 U.S. 208 (cited J.S., 13) are illuminating. The action taken by the motion picture distributors in that case was "a radical departure from the previous business practices," taken without "any persuasive explanation." 306 U.S. at 222-223. Moreover, the distributors failed to call as witnesses any of the officials who were in a position to know of the existence or non-existence of the alleged conspiracy. *Id.* at 221.

Here, the action taken by General Motors was entirely consistent with its desire to preserve its franchise plan which had been developed over a 40-year period.

The responsible General Motors officials all testified at length to facts showing that the action was taken independently by General Motors for its own persuasive reasons of business policy. This was not speculation; it was what substantial and uncontradicted evidence showed. The District Judge heard witnesses who are probably as well informed as anyone in the automobile industry testify on this precise point and he believed them.

In sum, what appellant asks here, as it did in *Yellow Cab*, is that this Court "try the case *de novo* on the record, reject nearly all the findings of the trial court, and substitute contrary findings" of its own. 338 U.S. at 340. As the Court said in that case:

"It ought to be unnecessary to say that Rule 52 applies to appeals by the Government as well as to those by other litigants. There is no exception which permits it, even in an antitrust case, to come to this Court for what virtually amounts to a trial *de novo* on the record of such findings as intent, motive and design." (338 U.S. at 341-342)

CONCLUSION

For the foregoing reasons, the motion to affirm should be granted.

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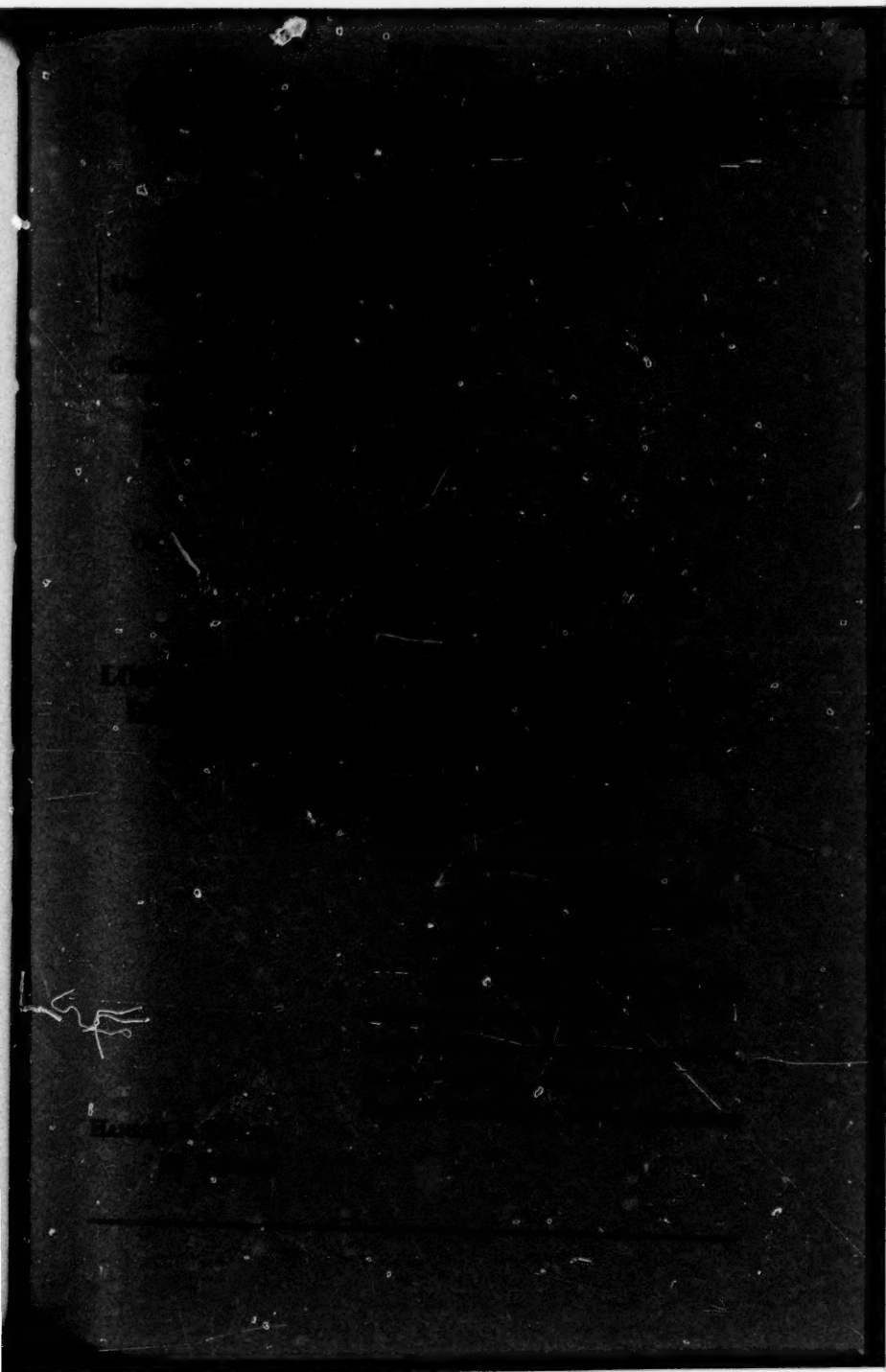
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February 10, 1965.





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IN THE
Supreme Court of the United States

OCTOBER TERM, 1964

No. 820

UNITED STATES OF AMERICA,

Appellant,

v.

GENERAL MOTORS CORPORATION;
LOSOR CHEVROLET DEALERS ASSOCIATION;
DEALERS' SERVICE, INC.; AND
FOOTHILL CHEVROLET DEALERS ASSOCIATION,

Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

**MOTION OF APPELLEES
LOSOR CHEVROLET DEALERS ASSOCIATION,
DEALERS' SERVICE, INC., AND FOOTHILL
CHEVROLET DEALERS ASSOCIATION
TO AFFIRM OR DISMISS**

Appellees Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Chevrolet Dealers Association (hereinafter appellee Dealer Associations) move (a) pursuant to Rule 16 (1)(c) that the judgment of the District Court be affirmed on the ground that there are no questions at all presented as to said appellees, or, (b) in the alternative, pursuant to Rule 16 (1)(a) that the appeal be dismissed on the ground

that it is not, as to said appellees, in conformity to the Revised Rules of this Court.

STATEMENT

Appellee Dealer Associations adopt the statement of the case contained in the Motion to Affirm of appellee General Motors Corporation, supplemented, however, by the following:

Each of the appellee Dealer Associations is a California non-profit corporation formed many years ago by franchised Chevrolet dealers without any solicitation or encouragement by General Motors, and the Dealer Associations are not operated, directed, controlled or guided by General Motors. Each appellee Association provides services for its dealer-members, including an information bureau to assist dealer members in trading cars, provides advertising and sales promotion activities, and engages in advocating the passage of legislation pertaining to motor vehicles. None of these Associations engages in the sale of automobiles. (Fdgs. 4, 5, 6 and 7)

ARGUMENT

I. The judgment of the District Court should be affirmed because no question at all is presented as to appellee Dealer Associations.

Neither the notice of appeal nor the statement of jurisdiction presents any question *as to the appellee Dealer Associations*. The question presented in both documents fails to mention the appellee Dealer Associations. In

both documents the only question presented reads as follows:

“Whether an arrangement between the General Motors Corporation and all its franchised Chevrolet dealers in the Southern California area whereby the latter undertook not to sell new automobiles through discount houses or referral services violated Section 1 of the Sherman Act.”

The argument set forth in appellant’s jurisdictional statement shows that the failure to mention appellee Dealer Associations in the question presented was not inadvertent. In the 11-page argument attempting to establish that the question presented is substantial (J. S. 10-21), there is not a single reference to appellee Dealer Associations.

The District Court found as follows with respect to appellee Dealer Associations:

“43. . . . They [appellee Dealer Associations] did not act in combination, conspiracy, or concert with General Motors. There was no agreement between the defendant dealer associations, or any of them, and General Motors as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services.

“44. There was no express or implied agreement between defendant associations or between any of them and any of their dealer members that any of said

dealer-members should refrain from selling through discount houses or referral services. . . ." (J. S. at 38a)

The Government has not questioned these findings in the notice of appeal or in the jurisdictional statement. Moreover, it has precluded review of these findings and further argument *as to appellee Dealer Associations* by failing to present any question as to these appellees in the notice of appeal or statement of jurisdiction (Rule 15(1) (c) (1)). There is, therefore, no possible basis on which the District Court's judgment as to the appellee Dealer Associations can be challenged.

Accordingly, the judgment of the District Court should be affirmed because the questions presented on which the decision of this cause depend are so unsubstantial *as to these appellees* as not to further argument (Rule 16 (1) (c)).

II. The Notice of Appeal and Jurisdictional Statement fail to comply with Revised Rules 10(2)(c) and 15(1)(c)(1) as to appellee dealer associations.

Rule 10(2)(c) of the Revised Rules of this Court provides:

"2. The notice of appeal shall be in three parts; . . .
(c) It shall set forth the questions presented by the appeal, expressed in the terms and circumstances of the case but without unnecessary detail. . . . Only the questions set forth in the notice of appeal or fairly comprised therein will be considered by the court . . ."

Rule 15(1)(c)(1) of the Revised Rules provides:

“1. The jurisdictional statement required by paragraph 2 of Rule 13 shall contain in the order here indicated —

“(c)(1) The questions presented by the appeal, expressed in the terms and circumstances of the case but without unnecessary detail Only the questions set forth in the jurisdictional statement or fairly comprised therein will be considered by the court.”

Neither the notice of appeal nor the statement as to jurisdiction complies with the foregoing Rules *as to the appellee Dealer Associations*. As indicated above, the question presented in both documents fails to mention the appellee Dealer Associations.

An appeal is in conformity with the Rules as to a given party only if the questions set forth (or those fairly comprised therein) pertain to said party. Since the question presented does not pertain or relate to any of the appellee Dealer Associations, questions with respect to said appellees cannot properly be considered by the Court. (See Rules 10(2)(c) and 15(1)(c)(1)). The appeal must therefore be dismissed as to these appellees.

CONCLUSION

The motion to affirm or dismiss should be granted.

Respectfully submitted,

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February 10, 1965.

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In the Supreme Court of the United States

OCTOBER TERM, 1965

No. 46

UNITED STATES OF AMERICA, APPELLANT

v.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.; AND
FOOTHILL CHEVROLET DEALERS ASSOCIATION

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR
THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVI-
SION

BRIEF FOR THE UNITED STATES

OPINION BELOW

The oral opinion of the district court (R. 1364) is reported at 234 F. Supp. 85; its findings of fact and conclusions of law (R. 1373) are not reported.

JURISDICTION

This civil antitrust suit was brought under Section 4 of the Sherman Act, 26 Stat. 209, as amended, 15 U.S.C. 4. The final judgment of the district court (R. 1400) was entered on September 14, 1964. The notice of appeal to this Court was filed on November 12, 1964 (R. 1402). Probable jurisdiction was noted on

March 15, 1965 (380 U.S. 940; R. 1403). This Court has jurisdiction of the appeal under Section 2 of the Expediting Act of February 11, 1903, 32 Stat. 823, as amended, 15 U.S.C. 29.

STATUTE INVOLVED

The pertinent provisions of Sections 1 and 4 of the Sherman Act, 26 Stat. 209, as amended, 15 U.S.C. 1, 4, are as follows:

SEC. 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal * * *.

SEC. 4. The several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several United States attorneys, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. * * *

QUESTIONS PRESENTED

1. Whether the agreement between General Motors and each of its Chevrolet dealers in the Los Angeles area forbidding the dealer to sell cars through discount houses unreasonably restrains trade in violation of Section 1 of the Sherman Act.

2. Whether the Chevrolet dealers in the Los Angeles area illegally conspired among themselves and with General Motors to suppress such sales.

STATEMENT

1. THE COMPLAINT

On August 30, 1962, the United States filed a civil suit under Section 4 of the Sherman Act charging General Motors Corporation and three trade associations representing all of General Motors' franchised Chevrolet dealers in the Southern California market area with an unlawful combination and conspiracy to prevent Chevrolet dealers from selling new Chevrolet automobiles through discount houses and so-called referral services (R. 1, 5-6). The dealers were named as co-conspirators (R. 3), and were alleged to have participated in the unlawful combination and conspiracy (R. 5). The complaint alleged that the effects thereof were, among other things, to suppress competition among Chevrolet dealers in the sale of new Chevrolet automobiles in the area involved, and to deprive purchasers of Chevrolet automobiles in the area of the benefits of purchasing such cars in a free competitive market (R. 6). Injunctive relief was sought, prohibiting General Motors from imposing or attempting to impose any limitation or restriction on the persons or classes of persons with whom its dealers may deal, or from exercising any other restraint on the resale of General Motors automobiles by any of its dealers (R. 7-8).

2. THE FACTS

(A) DISCOUNT HOUSE OPERATIONS IN THE LOS ANGELES AREA

The basic facts are largely undisputed. All of the 26 discount houses and referral services involved in this case (GX 1, R. 511-512) were operated by independent third parties who leased or rented space on

the premises of discount department stores such as Federal Employees Distributing Company ("FEDCO"), G.E.M. Stores, Inc. ("GEMCO"), Consumer's Mart of America, Inc. ("CMA"), and Allied Buying Corporation ("ABC Store") (*e.g.*, App. A to Reporter's Transcript, pp. 2, 100, 113, 169, 170, R. 31, 83, 90, 121, 122; see GX 185, R. 833).¹ These discount outlets handled a wide variety of makes and models of different automobile manufacturers including General Motors (see GX 7, 12, R. 622, 634). New-car brochures and other descriptive literature were available at the new-car discount desks (App. A, p. 10, R. 35). In many instances, various models of new automobiles were on display (*e.g.*, GX 7, 141, R. 622, 789). However, no banners or signs bearing the name of any Chevrolet dealer were displayed on the premises, and no Chevrolet dealer advertised that new Chevrolet automobiles were available through discount houses or referral services (*e.g.*, App. A, pp. 100, 170, R. 83, 122).

In a discount house operation, the customer was quoted a price for the particular model, and signed a purchase agreement under which the discount house undertook to supply the car at the stated price (see, *e.g.*, GX 138, R. 777). After the agreement was signed, the dealer who would supply the automobile was identified (*e.g.*, GX 138, 141, R. 777, 789). A referral service would advise the customer that the

¹ The Appendices to the reporter's transcript consist of stipulated abstracts of testimony from the criminal trial (dismissed on defendants' motion for acquittal, 216 F. Supp. 362) against General Motors dealing with the same charge, as well as certain affidavits and the cross-examination of one affiant. "GX" refers to government exhibits; "GM Ex." to the appellee's exhibits.

particular make and model sought could be supplied at a discount, but no price was quoted; the customer was referred to a participating dealer, who then quoted the discount price (App. B, pp. 28-30, R. 183-185). In all instances, the participating dealers transferred title to the new automobile directly to the customer and paid the discount house or referral service an amount agreed upon in advance. The discount house² itself did not take title to any of the automobiles involved in these transactions (see GX 146, 147, 149, 151, 152, R. 801-805; GX 154, 156, unprinted).

Most of the dealers who engaged in such selling were located in the City of Los Angeles, but much of the selling was done through discount houses in areas outside the city limits, such as in Orange County. Chevrolet prices there were generally higher than in Los Angeles proper (see map, GM Ex. A, R. 1232).³

² In the remainder of this brief, the term "discount house" will generally be used to refer both to discount houses and referral services.

³ Chevrolet dealers in Orange County realized in 1960 about \$315 average gross profit per automobile, while dealers within the City of Los Angeles realized about \$280 average; the "gross profit" is the difference between the price at which the dealer bought the car and the price at which he sold it. (These figures were derived from the dealers' financial statements for 1960, GX 210, 211, 213-286, unprinted. Each dealer's statement contains total gross profit on sales of new cars and the number of new cars sold. The statements of Orange County dealers are GX 211, 216, 232, 242, 250, 258, 276, 277, 283, 286, unprinted). Since all Chevrolet dealers buy from the manufacturer at the same price, differences in retail selling price may be inferred from differences in gross profits. As noted *infra*, n. 12, p. 29, there was an even greater spread between the gross profit per sale of some of the complaining dealers in Orange County and other outlying areas and those dealers active in selling through discount houses.

While these discount house operations evidently began about 1957, they did not reach substantial proportions until 1960. In that year, some 2,000 Chevrolets (approximately two percent of all Chevrolets sold in the Los Angeles area), plus an unspecified number of other makes and models, were sold through discount houses (R. 374-375; GX 1, pp. 17-18, unprinted).

(B) EFFORTS OF LOS ANGELES CHEVROLET DEALERS TO STOP DISCOUNT HOUSE SELLING

Following this increase in discount house operations in 1960, a number of dealers who did not participate in such selling took steps to end the practice. Beginning in the summer of 1960, some of the dealer-members of appellee Losor Chevrolet Dealers Association, whose membership consisted in large part of Orange County dealers, complained to the Los Angeles Zone Office of Chevrolet about the "cancer" (GX 3, R. 617) of discount house sales. A committee of such dealers, appointed at a Losor meeting in June, also met with R. M. O'Connor, the Chevrolet Los Angeles Zone Manager (App. A, pp. 16-18, R. 38-39; GX 171, R. 818). As the district court found, they "sought to induce General Motors to take some action respecting such selling." Mr. O'Connor agreed to call on each of the dealers who were reportedly selling to discount houses (GX 172, R. 820). As reported to the Losor board in September, O'Connor "requested [those dealers] to please stop this source of supply" (GX 173, R. 821), and it was then planned that a committee "should be appointed from the 3 Dealer organizations to call on the offending dealers to ask their cooperation" (*ibid.*). While taking such action, the Zone

Office personnel indicated that their authority was limited (see Fdg. 34, R. 1391; GX 83, R. 699).

Unsuccessful in their attempts to handle the discount house situation on a local basis either on their own or with the assistance of the Chevrolet Zone Manager, the dealers next decided to bring the matter of discount house selling to the attention of high level officials of General Motors in Detroit, "asking that something be done regarding this situation" (GX 175, R. 824; App. A, pp. 18-22, R. 39-41). At a membership meeting of Losor on November 10, 1960, the Chevrolet dealers agreed to appeal directly to top General Motors and Chevrolet officials in Detroit, by writing letters and sending telegrams to such officials as the President of General Motors and the General Manager and General Sales Manager of the Chevrolet Motor Division and by attempting to have their salesmen do so (Fdgs. 35, 36, R. 1391).

Pursuant to this agreement, Losor dealers and salesmen sent approximately 200 letters and wires to those officials, complaining about the "unfair competition" of discount house selling and seeking the cooperation and assistance of General Motors in the dealers' efforts to eliminate it (see, *e.g.*, GX 14, 65, 83, 86, 90, R. 639, 686, 699, 707, 712). These wires and letters almost uniformly complained about the low prices at which cars were sold by discount houses—for example, that they were "discounted beyond reason" (GX 10, R. 632)—only "a little over the cost * * * to an authorized dealer" (GX 14, R. 639)—and that it was "impossible to compete with these people on a price basis" (GX 69, R. 689). See, also, *e.g.*, GX 12, 13,

14, 20, 21, 27-38, 50, R. 634, 637, 639, 646, 647, 654-665, 679.

(C) GENERAL MOTORS' DECISION TO ACT AGAINST DISCOUNT HOUSE
SELLING

Upon receipt of these letters and wires, General Motors' Detroit Office called the Los Angeles Zone Manager and asked for a complete report on the discount house situation. On November 22, 1960, the Zone Manager, Mr. O'Connor, responded by a letter (GX 22, R. 649) in which he outlined the general operating methods of discount houses, and indicated that the problem had existed in the Los Angeles Zone for the past eight years, but was becoming more serious, with GEMCO alone averaging "over one hundred units of all makes per month." O'Connor identified the discount houses then in operation, and the Chevrolet dealers known to be supplying them with automobiles, and stated that he and other members of the Zone Office "have discussed * * * this matter with all of the dealers engaged in referral or discount house business in an attempt to have them desist." He also reported that "our Dealer Associations have formed a committee to call on the supplying dealers and have asked them and have attempted to persuade them to discontinue this practice." He stated that "we believe

* O'Connor was apparently referring to joint action by Losor and the two other dealer associations that were defendants in this action. The O'Connor letter was dated November 22, 1960. While joint action of the three associations was recommended by Losor as early as September (GX 173, R. 821), other evidence (GX 119, R. 750) indicates that it was not until December 15, 1960, that the three associations established the joint committee referred to in the letter (Fdg. 40, R. 1393).

many dealers will cease this type of business if they had any assurance that the account would not be picked up by some other dealer, immediately upon relinquishment" (see, also, App. A, p. 255, R. 163-164; R. 434-437; GX 6, 15, 17, 22, 44, R. 619, 640, 641, 644, 649, 672).

In response to the campaign to enlist its aid, General Motors' top officials formulated and announced a company policy with regard to discount house selling (see Fdg. 36, R. 1391; App. A, pp. 76-79, R. 70-72). The President of General Motors testified that, in the absence of the complaints from the Southern California dealers, the company would not have promulgated any statement on discount house selling "at that particular time" (Tr. 661, not printed). The company's position was communicated in substantially identical letters signed by high company officials and sent to every General Motors dealer in the United States (see Fdg. 36, R. 1391; R. 367-370; GX 115-117, 121, R. 739, 741, 747, 753). The company's letter described the discount house problem and the concern expressed by dealers and their employees, and sought to correct the "unwarranted" implication "that Chevrolet condones these practices as a means of obtaining additional sales" (R. 754). It stated that General Motors had "gone on record" to express "deep concern" about sales outside the dealer organization (R. 755), and that the discount house sales "represent no savings to the public but only result in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers" (R. 757). Although noting "the pitfalls * * * to its dealer organization" of so-called "bootleg" sales to unauthor-

ized outlets which then resell to the public, the company "recognized the right of every dealer to lawfully resell his merchandise to anyone" (R. 755). But the company stated that where sales were made by dealers *through* discount houses or referral services, the discount outlet's activities on behalf of the selling dealer may "in some instances represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Chevrolet Dealer Selling Agreements" (R. 756).⁵

The letter concluded (R. 757):

The Chevrolet wholesale organization will give special attention to these problems. They propose to personally discuss this matter with each of their dealers in those areas where such activity is reported to exist and ask them to review their operations in the light of the critical nature of the problem as it affects the good will of the product they sell, the entire franchise system of distribution, and the validity of any arrangement they may have with a discount house under the provisions of their General Motors Dealer Selling Agreement.

Pursuant to a decision made at the Regional Managers' meeting on December 14, 1960, General Motors instructed Chevrolet personnel to meet personally with each dealer to review the policy letter "for the

⁵ The standard General Motors "Dealer Selling Agreement" (GX 1, p. 94, R. 578) provides that "Once Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business including any used car and/or truck lot or location without the prior written approval of Chevrolet."

purpose of attempting to induce and persuade" each dealer to refrain from selling through discount houses (Fdg. 36, R. 1391).

(D) EFFECTUATION OF GENERAL MOTORS' POLICY IN THE LOS ANGELES AREA

During the final days of December 1960, the manager of Chevrolet's Pacific Coast Region met individually at the Los Angeles Zone Office with at least six Chevrolet dealers in the Los Angeles area then known to be selling through discount houses. None of the dealers had ever before met privately with a Regional Manager of Chevrolet (GX 201, R. 873; R. 449-450; App. A, pp. 102, 145, 183, R. 84, 109, 127). In addition, "it was arranged that Mr. O'Connor, the [Los Angeles] Zone Manager, together with the City Managers in Los Angeles and the Assistant Zone Manager, divide up and hold personal conferences with all the other dealers in the Zone," i.e., those not believed to be involved in discount house selling (GX 201, R. 873; R. 445-446). As explained by a Chevrolet official in Detroit responsible for supervision of west coast sales (GX 201, R. 874), "This was done in order that every dealer with whom the subject was discussed would know that a similar discussion was being held with all other dealers so that if certain dealers should elect to discontinue their cooperation with a discount house, [General Motors] might be able to discourage some other dealer who might be solicited from starting the practice." Mr. Roche, the General Motors vice-president who signed the corporation's letter to Chevrolet dealers, testified (Tr. 398-399) that the dealers

were approached individually by letter and through meeting, "[b]ecause if it were handled on a group basis I suppose we could have been charged with a conspiracy in conspiring with the dealers * * * group to accomplish this discount house referral elimination." The Los Angeles Zone Manager testified that, unless there was complete cooperation by all Chevrolet dealers in the area to refrain from discount house selling, the agreement of any individual dealer "would not have accomplishedw anything" (R. 399, 488).*

The district court found (Fdg. 39, R. 1393) that in these meetings with dealers in the Los Angeles area, Chevrolet personnel "endeavored to induce and persuade each such dealer to refrain from the practice of selling new Chevrolets through discount houses or referral services." The dealers were told about the company's opposition to discount house selling—that it was "wrong" and detrimental to the dealer sys-

*One of the dealers who sold through discount houses, Bruder Chevrolet, stated that he told the Regional Manager that if he "was going to stop selling in this manner * * * the rest of the dealers should stop also" (App. A, p. 105, R. 86). Mr. Cash, the Regional Manager, told Bruder that he "felt certain" the other dealers would quit discount house selling and Bruder left the meeting with the "impression that every dealer who had been doing business with a discount house or referral service would soon quit" (*ibid.*). Another dealer who had sold through discount houses, Warren Biggs, stated that he expressed to Mr. Cash "my hope that he could counsel with other dealers who were of a different opinion and bring them around to our way of thinking" (App. A, p. 118, R. 93). Biggs had earlier written to a Losor official that he would be "most reluctant to discard an account as good as [one of the discount houses] without rather concrete assurance that it would not immediately be picked up by another Chevrolet dealer" (GX 6, R. 619).

tem—and were asked for their agreement (App. A, pp. 102-105, 145-148, 183-186, R. 84-86, 109-111, 128-129; GX 201, R. 873; R. 445-446).¹

These meetings attained their objectives. As a Chevrolet official reported to an official of the General Motors distribution staff (GX 201, p. 2, R. 874):

Knowing that the subject was being discussed with all Chevrolet dealers in the [Southern California] area, every dealer [previously involved in discount house selling] voluntarily told Mr. Cash [Pacific Coast Regional Manager] that he would stop any cooperation which he had had with various discount houses in the area. Mr. Cash said that similar reaction was received by Mr. O'Connor [the Los Angeles Zone Manager] and the other wholesale men who had had similar conferences with other dealers in the Zone and that they sincerely believed that, through this voluntary cooperation on the part of all dealers, this serious situation will be diminished to, or near, the vanishing point insofar as Chevrolet products were concerned.

All participation by Chevrolet dealers in discount house selling in the area abruptly ended and existing agreements with discount houses were cancelled (see, *e.g.*, App. A, pp. 102, 116, 148, 163, R. 85, 92, 118, 128). On January 26, 1961, the Board of Directors

¹One of the dealers reported that the Regional Manager accompanied a statement that he could not tell the dealer what to do, with a "story" about how he handled his children: "They might disobey 'the first time' but the second time he said he could do something about it." "I can tell them to stop something. If they don't do it," he says, "I can knock their teeth down their throats'" (App. A, 146, 147, R. 109, 110).

of Losor issued the following statement to all of its dealer members (GX 176, R. 825):

It is the suggestion of your board of directors, in appreciation of the fine job Chevrolet Motors has done in stopping the sale of cars to discount houses, that you and your salesmen send letters or wires to whom you addressed your original complaint to, thanking them for a job well done.

We feel it just as important to thank those responsible for cooperating with us as it is to bring to their attention any malpractice in the automotive industry. Each letter should be in your own wording, expressing your appreciation and your wish to cooperate in any way possible to keep this condition from arising in the future.

At about that time, a number of Chevrolet dealers in the area expressed to General Motors officials their "thanks for your very recent cooperation in assisting to clean up the discount house problem here in Southern California" (GX 130, R. 769; see, also, GX 131, 132, 135, 136, 139, 140, R. 770, 771, 775, 776, 786, 787; GX 137 unprinted). Several, however, pointed out the importance of maintaining "a constant vigil * * * on the subject" (e.g., GX 130, R. 769). One dealer reported to the Zone Manager in January 1961 "the latest information as to what appears to be a flagrant violation of our *discount house* agreement" (GX 134, R. 774, emphasis in original). The Zone Manager also recognized (in a letter to a company official in Detroit) that "complete correction of the problem will require constant scrutiny and follow-up" (GX 127, R. 764).

Earlier, in December 1960, General Motors had planned to retain an investigative firm to "shop discount houses for us" (GX 114, R. 734). In January—that

is, after the letter to and meetings with dealers—Chevrolet's general sales manager instructed its Pacific Coast Regional Manager to begin "shopping" discount house stores (GX 201, R. 873). The Regional Manager discussed these instructions with the Los Angeles Zone Manager. The latter told him that the dealers "intended to do some shopping * * * and that if any information was needed certainly he didn't need to shop right at that time, that I could get information from the dealer on this" (R. 465-466).

At about that time, the three dealer associations established a joint fund to finance "policing" arrangements and employed a professional "shopper" and investigator (App. A, pp. 47-48, 202-206, R. 55, 136-139). Automobiles were thereafter purchased through discount houses by the professional investigator, and by other "shoppers" who typically were employees of a dealer or a dealer association (app. A, pp. 45-47, 49, 68-69, 205-206, R. 53-56, 66, 138; GX 138, 141, 186, 189-193, R. 777, 789, 841, 849-859). They obtained documentary evidence of the transactions, and the investigator made tape recordings of the conversations involved in his purchases. The evidence thus obtained was turned over to the Chevrolet Zone Manager in Los Angeles, who utilized it (as he described it) "in the interest of implementing our program that had been outlined in our letter of December 29 by Mr. Staley [the letter to Chevrolet dealers, *supra*, pp. 9-10]" (R. 459).

He testified that Losor dealers first informed him in February 1961 that "they were going to shop a car through a discount house" and asked whether he

wanted the information they obtained (R. 455-456). "I told them I did"; he "wanted this information to go back to the dealer again and again review this letter, this Staley letter or Roche letter * * * to again review it carefully with him and again try to persuade him to cease doing business through the discount houses" (R. 455-457). On about February 23, he first took over a car bought on behalf of Losor through a discount house, and arranged for its repurchase by the selling dealer. On the Losor dealers' instructions, he transmitted the money that he received in the transaction to a representative of the three dealer associations (R. 457-459; App. A, pp. 247-250, R. 159-161). Subsequently, the Chevrolet Zone Manager or his subordinates called in offending dealers; on at least seven occasions, confronted them with the evidence, which often involved the play-back of a tape recording of the discount house transaction; and asked them whether they did not wish to repurchase the car purchased by the shopper-investigator (App. A, pp. 149-150, 204-207, 256-258, 260-263, R. 111, 137-139, 164-167; Tr. R. 460-461).⁸ Each dealer did so, often

⁸ One of O'Connor's Zone Office subordinates described one such confrontation of a dealer with the tape recording as follows:

Q. When the tape recording was concluded, did Mr. Cashman [the dealer] appear at all embarrassed to you?

A. I would say so, yes, sir.

Q. So that, after playing this tape recording to which you have testified Mr. Cashman appeared embarrassed, no doubt you asked him a question, did you not?

A. I believe that I did. I believe I asked him if he wished to buy the car back.

Q. And what did he say to you, Mr. Thompson?

at a financial loss (App. A at 258, 260-263, R. 165-167). Evidently as a result of the dealers' shopping activity, General Motors did not carry out its plans to conduct its own investigations (R. 466). The dealers' shopping activity ended at or about the time the grand jury commenced its investigation of this matter, early in May 1961 (App. A, p. 205 R. 138, R. 465).

3. THE DECISION BELOW

At the conclusion of the trial, the district court delivered an oral opinion in favor of the defendants and directed counsel for defendants to prepare findings of fact and conclusions of law (R. 1364-1372). General Motors' findings and conclusions were adopted with only two modifications (R. 1373-1399).⁹

The district court held that neither General Motors nor the dealer associations had violated the Sherman Act in eliminating discount house selling of Chevrolets in the Los Angeles area. The court ruled that such sales violated the prohibition in the Chevrolet dealer franchise agreements against establishing a

A. As I recall, he said he certainly did.

Q. And Mr. Thompson, did you expect him to say, "No"?

A. No, I don't think I did, no, sir.

[App. A, pp. 257-258, R. 165.]

⁹ Upon objection of the United States, the court changed General Motors finding 35, which stated that Losor encouraged its members to write to General Motors, finding instead that at the Losor meeting on November 10, 1960, the Chevrolet dealers present "agreed" to complain to General Motors and to attempt to have their salesman do so (R. 1391). The district court also added a conclusion of law (No. 9) that "the government's proof failed to support the allegations of its complaint" (R. 1399).

"branch" location without the prior approval of Chevrolet, the discount house being a dealer "outlet" or "location" (Concl. 2, R. 1396; see, also, Concl. 3, R. 1397).¹⁰ The location restriction itself, the court held, was valid, because it gave each dealer "a 'head start' in the market of sufficient sales potential to provide him a fair profit opportunity": if dealers could establish sales outlets in an area which General Motors had found to be adequate to support only one selling outlet, the business of the authorized dealer in that area would be so diluted that he could not stay in business, and General Motors "would lose the competitive advantage of having a sales, service and parts facility" in that area (Fdg. 17, R. 1383-1384). The court found it "difficult to conclude that the exclusion of discount houses, which supply no facilities for repairs or the supply of genuine Chevrolet parts, or who fulfill [no] warranty obligations or who do [nothing], in fact, except offer for sale a Chevrolet automobile—or a competing automobile if the customer indicates a preference—would constitute an unreasonable restraint of competition violative of the Sherman Act" (Oral opinion, R. 1369). The court concluded that General Motors' actions in this case were undertaken in "preservation of [its] franchise system," and promoted, rather than impaired, inter-

¹⁰ The court also stated (Concl. 2, R. 1396-1397) that discount house selling violated that part of the Chevrolet Dealer Selling Agreement forbidding a dealer to transfer his personal sales obligations under the agreement to other parties. A General Motors vice-president had testified, however, that he was aware of no transfer of a dealer's sales obligations by the arrangements with discount houses in this case (R. 399).

brand and intrabrand competition (Fdgs. 25, 33, 37, 45, Concls. 1-2, R. 1388, 1390-1393, 1395-1397).

ARGUMENT

Introduction and Summary

General Motors entered into agreements with each of its Los Angeles area dealers forbidding the dealers to sell through discount houses. In the court below, General Motors argued that such a prohibition is implicit in the provision of its standard franchise agreement by which every Chevrolet dealer agrees not to establish a branch location without the approval of General Motors. The basic question in this case is whether the agreement prohibiting dealers from selling through discount houses violates Section 1 of the Sherman Act because it restrains trade unreasonably. The court below held it reasonable and lawful.

In *White Motor Co. v. United States*, 372 U.S. 253, this Court for the time being declined to extend to other "vertical" restraints the *per se* rule which prohibits a manufacturer from agreeing with his distributors upon a resale price; in that case the distributor had agreed not to sell to certain customers and not to sell outside the territory assigned him by the manufacturer. For purposes of this case, we accept that some restrictions on distribution may, in some instances, be reasonable as measures that on balance promote competition by enabling a company to compete effectively with other brands through an efficient and economical distribution system without unduly restricting competition among its distributors. However, when vertical restraints are shown to be

anticompetitive in nature, we believe that the presumption should be against them, and that it is incumbent upon those manufacturers employing them to prove that they are necessary to promote or preserve competition, and no more restrictive in nature or in duration than conditions require.

Accordingly, we undertake in this brief to consider General Motors' prohibition of sales through discount houses in light of the relevant circumstances with respect to its competitive effects and possible justifications. We first show that the adverse effects of the challenged restriction upon competition are very substantial and far-reaching, and we argue that where so strong a showing of anticompetitive effect is made by the government the burden is upon the manufacturer to prove that the restriction is nevertheless justified because it is necessary to enable the manufacturer to compete effectively. The major portion of our brief is devoted to demonstrating that General Motors here failed to make the required showing—and we also argue that even if a simple balancing test is proper, the record establishes that the competitive harms of the challenged restriction far outweighed any benefits.

The basic issue whether General Motors engaged in illegal concerted activity with its Los Angeles Chevrolet dealers has a further aspect, which we consider in the second part of our brief. The government contended below, and we contend now, that the evidence also shows that General Motors' Chevrolet dealers in the Los Angeles area entered into a conspiracy among themselves to prevent sales through discount houses; that this conspiracy was designed to prevent price

competition in the retail sale of Chevrolets; that the dealers successfully enlisted the support of General Motors, which became a party to the conspiracy; and that the conspiracy, being basically one among competitors, is *per se* unlawful under Section 1 of the Sherman Act.

We recognize, of course, that merely to enjoin General Motors and its dealers from continuing such a conspiracy could presumably leave the company free to enforce separate vertical agreements to prevent any dealer from selling through a discount house. We believe that an order as broad as that asked in the complaint (Statement, *supra*, p. 3) could be predicated upon a finding of illegal conspiracy alone as appropriate to purge the effects of that conspiracy. But the uncertainty whether such relief would be granted prevents us from arguing that the question whether General Motors may lawfully forbid its dealers to sell through discount houses would be mooted if the Court accepted our conspiracy contentions.

I

THE AGREEMENT BETWEEN GENERAL MOTORS AND ITS DEALERS FORBIDDING THE LATTER TO SELL THROUGH DISCOUNT HOUSES UNREASONABLY RESTRAINS TRADE IN VIOLATION OF SECTION 1 OF THE SHERMAN ACT

A. THE ADVERSE EFFECTS OF THE RESTRICTION UPON COMPETITION ARE GRAVE AND FAR-REACHING

1. The record demonstrates the direct and immediate depressant effect of the challenged restriction upon price competition among Chevrolet dealers. Retail prices of Chevrolet dealers in Orange County were

higher than those of Chevrolet dealers located in other parts of the Los Angeles metropolitan area. Although the record does not show why there was this disparity, a proper inference is that it reflected a lack of competitive pressures (whether from other Chevrolet dealers or from dealers in other automobile makes), and that the Orange County dealers were exploiting such lack of competitive pressures at the expense of the consuming public.

Where absence of vigorous competition fosters high prices and profits in a market, new competitors from outside the market are tempted to come in. It was natural, therefore, that the lower-priced Los Angeles Chevrolet dealers would be attracted to areas where prices were higher, such as Orange County. But it was evidently not easy for them to compete directly with dealers actually located there, perhaps because the average automobile purchaser tends not to shop so far outside his immediate area.¹¹ The device of using discount houses located or having branches in Orange County to act, in effect, as sales agents there made this competition possible.

The prices at which the Orange County dealers sold Chevrolets were sufficiently high that the Los Angeles dealers who sold through discount houses could afford to pay the discounter a commission, make a profit, and still undersell the Orange County dealers. But for the use of these discount houses as sales agencies, the Los

¹¹ The map following p. 4 of General Motors' Motion to Affirm indicates that, for example, Anaheim in Orange County is more than 20 miles from many points in downtown Los Angeles.

Angeles dealers probably could not have penetrated the Orange County market and the higher price level prevailing in that market might have continued indefinitely. That the sales tactics of the Los Angeles dealers were indeed effective in introducing price competition seems clear from the complaints of the Orange County dealers. It is also clear that General Motors' efforts to prevent sales through discount houses stemmed directly from these complaints.

2. The anticompetitive impact of the challenged restriction is greatly magnified by the position of General Motors in the automobile industry. The domestic automobile industry is dominated by three firms, which in 1960 accounted for 84.2 percent of all domestic new-car sales (*Automotive News*, 1965 Almanac Issue, p. 50). This Court has pointed out that competition is likely to flourish when there are many competing sellers, no one of whom commands a significant share of the market. *United States v. Philadelphia National Bank*, 374 U.S. 321, 363. Plainly, the structure of the automobile industry is far from the competitive norm. It is surely undesirable to permit the automobile manufacturers, by means of restrictions such as that challenged in this case, to transmit the effects of the high degree of concentration at the manufacturers' level to the retail level. While there are few manufacturers, there are many dealers, and competition at the dealer level should be preserved.

Furthermore, we are dealing here with a brand—Chevrolet—which alone accounts for some 30 percent of the industry's total domestic new-car sales (*Automotive News*, *supra*). Thus, the magnitude of the area

of competition restrained by the manufacturer's restriction under challenge here is very great, as attested by the fact that in the Los Angeles area alone General Motors in 1960 sold 93,333 Chevrolets to its dealers, for more than \$100,000,000 (GX 1, p. 17). Moreover, through such methods as heavy advertising and annual style changes, General Motors has created a distinct and substantial consumer preference for Chevrolets as differentiated from competing brands. The existence of a strong consumer preference for Chevrolets is suggested by the fact that more than 70 percent of Chevrolet purchasers are repeat customers (R. 301). Thus, Chevrolet is plainly not merely one brand, insignificant in itself, among many. It is in its own right a very substantial and important product market. Accordingly, restrictions upon competition in its sale to the consuming public and the consequent raising of prices are of major economic consequence.

3. The restriction also suppressed the development of an alternative method of merchandising. Discount house selling made available, without need for "bargaining," automobiles of all makes and models at stated low prices. The merchandising technique pioneered by discount sellers has proved to be popular and effective particularly with respect to products which, like automobiles, are purchased primarily on the name, reputation and warranty of the manufacturer (*e.g.*, R. 31; GX 7, R. 622). That this sales tactic met a consumer need is abundantly clear from the record.

4. In addition, preventing dealers from selling through discount outlets may well, in the long run,

injure competition not only among dealers but among the automobile manufacturers themselves. Among the factors that contribute to the present concentration of the industry is the franchise system and the consequent requirement that any new manufacturer establish an extensive chain of costly dealerships to distribute and service his product. Sales through discount houses could presage the emergence of alternative forms of automobile distribution and increase the feasibility of new entry into automobile manufacturing.

B. THE SUBSTANTIAL ANTI-COMPETITIVE EFFECTS OF THE CHALLENGED RESTRICTION ARE NOT JUSTIFIED

If the Court accepts our contention in the preceding subpart—that the anticompetitive effects of the restriction here challenged are indeed grave—we think it follows that the manufacturer, not the government, has the burden of persuasion on the issue of justification (cf. *United States v. Philadelphia National Bank*, *supra*, at 362-366)—if indeed legally recognizable justification there be. But however the burdens be allocated, we submit that it is demonstrable that General Motors' restriction upon sales through discount houses is unjustifiable.

At the outset, we may put to one side a justification frequently advanced for restrictions on distribution: that while limiting competition in the resale of the manufacturer's product, they are essential to competition between the manufacturer and manufacturers of competing products because they enable it to break into a market or to avoid business failure. This ground

is inapplicable here. It has not been shown that General Motors' ability to compete against other automobile manufacturers will be impaired if it is not permitted to prohibit its dealers from selling through discount houses. Nor is this a case where General Motors, whether to promote a new product or to penetrate a new area where it had not theretofore sold, offered to restrict sales through discount outlets as an inducement to distributors to handle its product or accept its franchise; Chevrolet was a very well established brand in the Los Angeles area. Thus, if the restriction here challenged is justifiable at all, it is not on grounds of competitive exigency.

We grant, for purposes of this case, that even a large and powerful firm like General Motors may be able to justify certain restrictions on distributors of its products because of their limited adverse impact in the light of the long-range needs of interbrand competition. Suppose, for example, that General Motors, concerned that its goodwill and its ability to market its automobiles may suffer if Chevrolet dealers fail to perform their servicing obligations under the sales warranty promptly and efficiently, requires all of its Chevrolet dealers to maintain adequate parts inventories. We might concede the reasonableness and lawfulness of such a restriction, first, because its actual adverse effect upon competition among Chevrolet dealers is probably trivial, and second, because such a restriction appears reasonably necessary to the efficient (and hence, in the long run, competitive) distribution of General Motors' product. But prohibiting Chevrolet dealers from selling through discount houses, as we have shown, does have pronounced and very grave anti-competitive effects; as presently we show, it is not

necessary for the efficient distribution of Chevrolet automobiles.

There is one more preliminary point to be disposed of. General Motors vigorously argues that the franchise system under which the company and its dealers operate is an efficient method of distribution, and that the restrictions imposed by the standard franchise contract are necessary and proper for the distribution of automobiles. This argument is beside the point. As we shall explain, we are not here attacking the franchise system, albeit it has anticompetitive features. Ours is a narrower challenge to the specific franchise provision that General Motors has interpreted as preventing Chevrolet dealers from selling through discount houses. That provision, whose excision would not endanger the survival of the franchise system in the automobile industry, is an unjustifiable restraint.

1. The business logic of sales through discount houses refutes the argument that the challenged restriction is justifiable as a necessary measure to preserve the franchise system. Suppose that General Motors sold its Chevrolet automobiles at a single price to both its franchised dealers and discount houses. In that event, there probably would be a substantial adverse impact upon the franchised dealers. They would be compelled to compete on equal terms with sellers who had no service obligations, were not tied to a single manufacturer, did not have to invest in very costly showroom facilities, and might be stronger and more diversified merchandisers. But General Motors does not distribute in that fashion. Discount outlets that desire to carry automobiles cannot obtain them from General Motors; their only source is the

franchised dealer. Hence, the franchised dealer has a substantial built-in cost advantage over competing discount outlets which offsets his higher overhead. He buys at the manufacturer's price, while the discount house must price at a level reflecting a profit for the dealer. The dealer's profit is part of the discount house's—but not, of course, the dealer's—cost. The franchised dealer has an additional advantage vis-à-vis the discount house: The consumer would presumably prefer to patronize an authorized dealer, conveniently located, and well-stocked with parts and trained personnel, rather than a discount house—so long as the dealer is reasonably competitive in price.

This means that sales through discount houses are likely to reach substantial proportions only in places where, and at times when, the franchise system fails to produce reasonably competitive results, and retail prices and profit margins of the franchised dealers are out of line or excessive. If prices and margins are reasonably low, there is unlikely to be enough "water" in them to permit (1) the franchised dealer to sell at the discount price and still make a profit, (2) the discount house to undersell competing franchised dealers in his area, *and* (3) the discount house to recover his selling costs and a commission on the transaction. Unless all three conditions are fulfilled, selling through discount houses makes no business sense; where all three conditions are fulfilled, the chances are that retail profits and prices reflect the absence of vigorous com-

petition. In other words, as the facts of this case demonstrate eloquently,¹² selling through discount houses is likely to arise only in response to a failure of the franchise system, and its natural tendency is not to undermine the system but, rather, by breaking the artificial price-and-profit level, to restore the system to competitive functioning. It is a safety valve, pro-

¹² There is a striking comparison between the average gross profit per sale earned by the leading dealers who sold through discount houses, and that earned by the dealers most prominent in the campaign against discount house selling. Among the sellers through discount houses were franchised dealers having gross profits on all sales of \$268 per car, \$222, \$259, \$168, and \$200. Among the protesting dealers in Orange County and other outlying areas were franchised dealers with average gross profits on all sales of \$303, \$279, \$334, and \$356. Compare GX 219, 223, 226, 234, 285 with GX 211, 232, 245, 250, 255, unprinted. See, also, n. 3, p. 5, *supra*. These figures, and the comparison of the general price levels in Orange County and elsewhere, prove the irrelevance of the price survey conducted by Price, Waterhouse & Co. for General Motors (GM Ex. DB). This survey indicated that there was no appreciable difference between the price paid by a customer who bought from a discount house through a franchised dealer and the price he would have had to pay had he bought directly from the *same* dealer (Motion to Affirm, pp. 7-9). The survey compared the wrong things. The effectiveness of price competition is shown by comparing the discount house prices with the prices offered by competing franchised Chevrolet dealers who did not sell through discount houses. The company's study did not make that comparison (App. C, pp. 40-51, 71-73, R. 237-243, 253-254). Indeed, the survey supports our contention that sales through discount houses flourish only where there is a pocket of high-priced dealers, as in Orange County in this case, and that franchised dealers whose prices are not unduly high are not undercut.

protecting rather than impairing efficient distribution of automobiles to the consuming public.¹²

2. The challenged restriction plainly originated at the dealer, not the manufacturer, level. Nothing in the franchise contract expressly forbids selling

¹²The Los Angeles experience tends to confirm that the franchise system would not be impaired by discount house selling. Although some 2,000 Chevrolets were sold in 1960 through Los Angeles area discount houses, no dealer in that area went out of business. General Motors conceded that there was no "impairment in the franchise system at that time," and the company was unable to show that any dealer was affected in any way that differed from the usual impact upon a merchant of vigorous competition by his rivals (R. 374-375). Moreover, since dealers selling through discount houses charged roughly the same price to direct customers as was charged discount house customers, there is no reason to assume the complaining dealers could not meet the "discount" price in their own places of business.

Nor is there anything in the Los Angeles experience to demonstrate that any cars were not properly serviced because they were sold through discount houses. In a sale through a discount house, a franchised dealer is the actual seller and he gives the purchaser a new-car warranty. All Chevrolet dealers have a contractual obligation to General Motors to maintain adequate service facilities, and they are expected to perform warranty service on new Chevrolets regardless of where the cars were purchased (R. 304-305, 352, 442; GX 1, R. 574, 578, 583-584). Persons who actually purchased Chevrolets through discount houses in the Los Angeles area testified that they had no difficulty obtaining satisfactory service under the new car warranty which they received from the franchised dealer who made the sale (App. A, pp. 2, 8, R. 31, 34). While the Chevrolet Zone Manager reported that he had been told that some dealers had shown reluctance to provide new car service, there was no testimony about specific instances or by purchasers who had actually been refused service (R. 441-442), and the Zone Manager acknowledged that the company "would consider it as a serious thing" if a dealer refused to service a new Chevrolet no matter where purchased (R. 442).

through discount houses. The prohibition imposed by General Motors upon such selling is not an express provision routinely inserted in each franchise contract upon the demand of General Motors, but a restraint imposed only in response to dealer demands¹⁴ and thereafter defended as a gloss upon the branch location provision (see, further, pp. 33-35, *infra*). Thus, it was not General Motors that took the initiative in preventing sales through discount houses because it deemed the practice inimical to the efficient distribution of its automobiles—the initiators were the dealers, who were concerned with maintaining high and stable retail prices and profit margins (see pp. 39-40, *infra*). Concededly, General Motors, although it already had “extensive” knowledge of discount house operations (see, *e.g.*, GX 7, R. 622), would have taken no action to eradicate them “at that particular time” but for the “campaign” by the Los An-

¹⁴ General Motors itself stresses that the “branch location” provision was put in its contract 25 years ago to serve exclusively the interests of the company in aggressive distribution (Motion to Affirm, p. 17). Yet, despite its present claim that discount house selling is a clear violation of that provision, General Motors took no remedial action whatsoever until pressure was exerted upon it by the Los Angeles area dealers. Shortly before the December 1960 letter to dealers (Statement, *supra*, pp. 9-10), General Motors officials were still indicating that they lacked legal power to do anything to stop the practice (GX 114, R. 734; GX 83, R. 699). And while the letter did suggest that “in some instances” discount house operations would represent an “unauthorized sales outlet or location” (GX 121, R. 756), the record shows that at the meetings of Los Angeles area dealers with the General Motors Regional Manager and the Zone officials there was no warning or statement that any contract violation was involved in discount house sales (App. A, pp. 103, 147, 184, R. 85, 110, 128; R. 480-481).

geles area dealers (R. 402-403, 410-411; Tr. 661, unprinted, testimony of General Motors' president). As one dealer stated in a letter to Chevrolet's General Sales Manager, discount house selling "is mostly a dealers' association [rather than the manufacturer's] problem" (GX 137, unprinted). In short, the facts here indicate that General Motors' defense of legitimate business justification is strictly an *ex post facto* rationalization; and that the challenged restriction is not rooted in the needs of effective distribution. This is also shown by the fact that General Motors expressly disclaims any intent to prevent dealers from selling to,¹⁵ rather than, as here, through discount or other retail outlets. Yet the same harms alleged to flow from the practice here involved would also result if Chevrolet dealers sold directly to discount houses, used car dealers, or other new car dealers. Whether the discount seller's compensation for acting as an outlet for new car sales is expressed as a commission or as a profit on resale can hardly be significant from the standpoint of preserving the franchise system. And it therefore seems wholly implausible that concern for the franchise system was uppermost in the mind of General Motors' officials in forbidding sales through discount houses. Rather, the company's action appears to have been a response to the pressures of the Los Angeles area dealers who desired to limit competition among themselves.

¹⁵ R. 399-400, 755; General Motors' Motion to Affirm, pp. 3, 6, 15 (fn.). The automobile manufacturers describe sales by dealers to unfranchised outlets for resale as "bootlegging." See Hearings, *Automobile Marketing Legislation*, Subcommittee, House Committee on Interstate and Foreign Commerce, 84th Cong., 2d Sess., p. 360.

3. Nor can the restriction upon sales through discount houses be justified, as the district court thought, on the same grounds as the express limitation in the franchise contract upon the establishment by a dealer of branch locations without the prior approval of General Motors. Such a limitation the district court deemed of the essence of the franchise system. Without conceding that it is in fact a reasonable limitation upon the freedom of action of the dealer, we note the following substantial differences between it and the restriction involved in the present case which indicate that the restriction on discount house selling is both more restrictive on the dealers and less necessary to General Motors:

(a) The branch location provision is apparently regarded by General Motors as important to the distribution of its product; it has been included as an express term of the standard franchise contract for many years. So far as appears, the initiative in placing it in the contract was General Motors'. In contrast, the restriction challenged here was, as we have seen, imposed by General Motors only in response to dealer pressure.

(b) We may concede *arguendo* that a proliferation of branch locations may impair General Motors' planned spacing of franchised dealers, as it contends, by depriving some individual dealers of a sufficient profit opportunity for them to bear the burdens imposed by the franchise contract in regard to, for example, servicing, showroom display, inventory, and periodic reports; and, further, that if each dealer were free to penetrate the territories of other dealers by the estab-

lishment of branch locations, the dealer's incentive to cultivate intensively his own territory might be reduced. But, as we have seen, there appear to be inherent economic limitations to the expansion of sales through discount houses, limitations not applicable to branch locations. In the branch location situation, the dealer presumably purchases all of the cars sold at his several outlets directly from the manufacturer and pays the same price as other dealers. But a discount house, in contrast, while it avoids the capital expenditure involved in establishing a branch location, must obtain cars from a franchised dealer, and so its cost is necessarily higher than the manufacturer's price to the dealer. There is, accordingly, less likelihood that sales through discount houses could, if unrestricted, so proliferate as to affect the viability of any significant number of franchised dealers.

(c) A dealer's branch location, in the eyes of the public, is an authorized General Motors outlet; a discount house, which sells many brands and does not hold itself out to the public to be a dealer in Chevrolet automobiles, is not. The manufacturer's goodwill presumably may be directly affected by the business operations of authorized outlets, and for this reason he may have a valid interest in deciding how many authorized outlets there shall be in each area. That does not mean that he has a right to prevent an authorized dealer from using sales agents who do not purport to be authorized dealers.

(d) It is possible that the branch location provision is not intended as an absolute prohibition,

since, in terms, it merely requires the prior approval of the company for any branch location. General Motors might interpret the provision as designed merely to ensure that the company retains reasonable control over the location and physical appearance of any proposed branch. Accordingly, the restriction may be far less drastic than the one challenged here, which flatly prevents any General Motors dealer from selling through any discount house or other retail outlet.

(e) The limitation on branch locations is less restrictive upon free competition among dealers in an additional respect. Even if forbidden to establish a branch location, a dealer is not thereby absolutely foreclosed from selling activity outside his immediate area. If the restriction upon sales through discount houses is held invalid, the dealer is free to establish footholds in other territories through precisely the technique involved in this case.

4. The district court also suggested that the public needed adequate service facilities associated with sales outlets. The record shows that in sales through discount houses the franchised dealer who actually makes the sale supplies a new car warranty, and, in fact, provides service (see n. 13, p. 30, *supra*). While a franchised dealer who does not make the sale is nevertheless under obligation to service the car under the warranty (as he would be whether or not the sale was made through a discount house), the manufacturer compensates the dealer for such service costs.

5. Another point that might be cited in justification of the challenged restriction is that the franchised dealer might fail adequately to exploit his as-

signed location and territory if he concentrated on selling through discount houses located in a different area. But there are legitimate, and far less restrictive, techniques open to the manufacturer to compel the authorized dealer to perform his basic franchise obligations—for example, by the use of an area-of-primary-responsibility clause. At all events, the justification is patently inapplicable here. Since 1961, Los Angeles and Orange County dealers have been responsible under the franchise contract for devoting their principal selling efforts to the *same* over-all metropolitan area (GX 1, pp. 10-11, 95-97, R. 606-607).

* * * * *

To summarize this part of our brief: The restriction upon sales through discount houses is highly anticompetitive; therefore, the burden of justifying it in terms of policies compatible with antitrust principles is upon the manufacturer. General Motors argues primarily that such a restriction is a necessary incident to the franchise system of automobile distribution. Without entering upon a discussion of the merits of such a system in the automobile industry in terms of competition and efficiency, we have shown that the restriction is by no means a necessary incident to that system, and can be severed without impairing it. Accordingly, General Motors' asserted justification fails. Moreover, even if General Motors did not have the burden of justification, the record demonstrates that the restriction is substantial and unjustifiable. The agreements which prohibit the dealers from selling through discount houses consti-

tute unreasonable restraints of trade, in violation of Section 1 of the Sherman Act. We emphasize that we are not conceding that the franchise system as used in the automobile industry is in fact justifiable—that whatever efficiencies in distribution it may produce outweigh its anticompetitive effects. We simply regard this broad issue as not raised by the facts of the present case.

II

GENERAL MOTORS' FRANCHISED CHEVROLET DEALERS IN THE LOS ANGELES AREA CONSPIRED WITH EACH OTHER AND WITH GENERAL MOTORS, IN VIOLATION OF SECTION 1 OF THE SHERMAN ACT, TO SUPPRESS THE SALE OF CHEVROLET AUTOMOBILES THROUGH DISCOUNT HOUSES

At the outset of our discussion of the conspiracy issue, it is well to make explicit certain assumptions on which we are proceeding. The first is that the agreements with each dealer barring sales by the dealer through discount houses do not unreasonably restrain trade. For if they do (as we argue in part I of our brief, *supra*), the conspiracy issue is superfluous—General Motors and its Los Angeles area dealers violated Section 1 by making and enforcing such an agreement.

Secondly, we assume that a conspiracy in the circumstances of this case cannot be proved merely by establishing that a number of dealers called upon General Motors to prevent sales through discount outlets—by hypothesis in this part of our brief, a practice that General Motors was entitled to forbid its dealers to engage in. Nor is it sufficient to show that General Motors, by enforcing a restriction imposed

by the franchise agreement (as General Motors interprets it) upon that practice, facilitated parallel behavior (*i.e.*, refusing to sell through discount houses) on the part of its dealers. Both of these approaches would represent, in our opinion, an unwarranted extension of antitrust conspiracy doctrine, because the result of applying their logic would be to deem all vertical restrictions upon distributors *per se* illegal conspiracies.

On the other hand, it is the basic postulate of Section 1 of the Sherman Act that concerted activity by competitors which restricts competition may be illegal where other activity directed toward the same end would not. From this it follows, we think, that not all methods of enforcing even valid vertical restrictions are permissible—that collusive and coercive tactics that traditionally have been condemned under Section 1 even where their objectives are not illegal are also impermissible here, where the object of the conspirators was (on our present hypothesis) to enforce an otherwise legal restriction.

Further, we assume that if a horizontal conspiracy to suppress competition is proved, it is illegal *per se*; the defense of economic justification or lack of substantial adverse competitive effects is not available. See, *e.g.*, *Eastern States Retail Lumber Dealers' Assn. v. United States*, 234 U.S. 600; *Fashion Originators' Guild v. Federal Trade Commission*, 312 U.S. 457; *Klor's Inc. v. Broadway-Hale Stores, Inc.*, 359 U.S. 207.

Proceeding on these assumptions, and applying settled principles of antitrust conspiracy doctrine to the undisputed facts of this case, we show in this part of our brief, first, that there was a horizontal conspiracy among the Los Angeles area Chevrolet dealers to suppress price competition by eliminating sales through discount houses, and second, that General Motors was a party to the conspiracy.

A. We do not dispute the right of individual dealers in the Los Angeles area to urge General Motors to exercise what legal rights it might have to prevent sales through discount houses, or their right to discuss the problem with each other. But the dealers went much further. They *agreed*—as the district court itself expressly found—to exert pressure upon General Motors to prevent such selling (Fdgs. 34–36, R. 1391–1392; Statement, *supra*, pp. 7–8). The purpose of their agreement was to protect their retail prices and profit margins against the competitive pressures of the discount sellers.

The complaint of these dealers was that the discount houses were underselling them—that it “was impossible to compete with these people on a price basis” (GX 69, R. 688). As one dealer stated in a letter to Chevrolet’s General Manager (GX 12, R. 635):

These leeches are selling new Chevrolets two to three hundred dollars less than I can afford to deliver one. They inform the people to shop the [franchised] agencies and, “get the prices you can—then come back and save hundreds.” What hurts is that it is true!

The entire thrust of the discount houses' new-car selling was to attract the public with the promise of "discount," i.e., lower, prices (see, for example, the advertisements in the record at GX 83, 90, 184, R. 699, 712, 829). The threat posed by sales through discount houses was the threat of vigorous price competition. General Motors' management was advised by its own officials that "one of the real hazards of condoning this type of operation is that discounted prices are freely quoted to a large portion of the public" (GX 114, R. 734, 736); and the company's letter to all of its dealers announcing its policy against the practice declared that it "result[s] in a dilution of the gross profit on each transaction which would otherwise be made by the franchised dealers" (R. 757).¹⁶ In short, the agreement between the dealers was one directed at limiting price competition, so as to bolster their retail profit margins; such an agreement is offensive to the policy of the antitrust laws. See, e.g., *United States v. Socony-Vacuum Oil Co.*, 310 U.S. 150, 221.

¹⁶ While the court below found that General Motors was unconcerned about the retail price level at which its cars were sold (Fdg. 38, R. 1393; see, also, oral opinion, R. 1370), it also found (Fdg. 17, R. 1383-1384) that General Motors was interested in the "profit opportunity" of its dealers, which was threatened by discount house selling. The findings are reconcilable if the former means only that the company did not fix specific dealer prices; otherwise, it is plainly erroneous. "Profit opportunity" depends upon the general level of retail prices and it is clear that General Motors wanted to prevent depression of that level in any area by the development of discount house selling. In any event, the company admittedly responded to the pressure of the Losor dealers, which was motivated by fear of price competition.

To be sure, the agreement was not in form one to fix prices. Rather, it was directed toward preventing franchised dealers from selling through discount houses in the market of the high-priced, protesting dealers. But to boycott discount houses is illegal *per se* (cases cited *supra*, p. 38). Moreover, the agreement here was implemented and enforced. The dealers themselves (after General Motors attempted to stop the practice of sales through discount outlets) jointly devised and implemented methods for policing and enforcing the policy against such selling which bordered on the use of coercion (see Statement, *supra*, pp. 14-17). Thus, we have here a conscious, deliberate and eventually successful collusive effort to prevent the free play of competitive forces. Such an agreement, to repeat, is forbidden *per se* by Section 1 of the Sherman Act; and the fact that its objective was (by hypothesis) the enforcement of an otherwise lawful restraint is immaterial. See, *e.g.*, *Fashion Originators' Guild v. Federal Trade Commission*, *supra*.

B. It is apparent that the agreement was unlikely to succeed without the cooperation of General Motors. The dealers were limited in their ability to prevent individual dealers from selling through discount houses. However other dealers might abhor the practice, they had no sanction to apply against the noncooperating dealer; only General Motors had the power to bring about "substantial unanimity among the competitors" (*United States v. Parke, Davis & Co.*, 362 U.S. 29, 46-47). Because General Motors was the key to a successful conspiracy against discount house selling, the dealers concentrated on organizing as solid a

front as possible to exert effective pressure upon General Motors to enlist the company in the conspiracy. It was in response to this pressure, as we have seen, that General Motors took action against discount house selling and obtained the agreement of all Los Angeles dealers to refrain from selling through discount outlets.

The undisputed facts thus establish that General Motors participated in a single conspiracy whose other participants were competing distributors and whose objective was to stifle a significant method of price competition. The district court's finding of "unilateral" company action (Concl. 4, R. 1397) thus was erroneous as a matter of law. By acceding to the dealers' concerted request for "assistance," and indeed providing the force that effectuated the program against discount houses, General Motors "gave [its] adherence to the [dealers'] scheme and participated in it." *Interstate Circuit, Inc. v. United States*, 306 U.S. 208, 226. Its acceptance "of an invitation to participate in a plan, the necessary consequence of which, if carried out, is restraint of interstate commerce, is sufficient to establish an unlawful conspiracy under the Sherman Act." *Id.*, at 227. See, also, *Parke, Davis & Co.*, *supra*, at 46-47).

CONCLUSION

For the foregoing reasons, the judgment below should be reversed and the case remanded for the entry of an appropriate judgment.

Respectfully submitted.

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No. 46

IN THE

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Supreme Court of the United States

OCTOBER TERM, 1965

UNITED STATES OF AMERICA,

Appellant,

v.

GENERAL MOTORS CORPORATION; LOSOR
CHEVROLET DEALERS ASSOCIATION;
DEALERS' SERVICE, INC.; AND
FOOTHILL CHEVROLET DEALERS ASSOCIATION,

Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

BRIEF OF APPELLEE GENERAL MOTORS CORPORATION

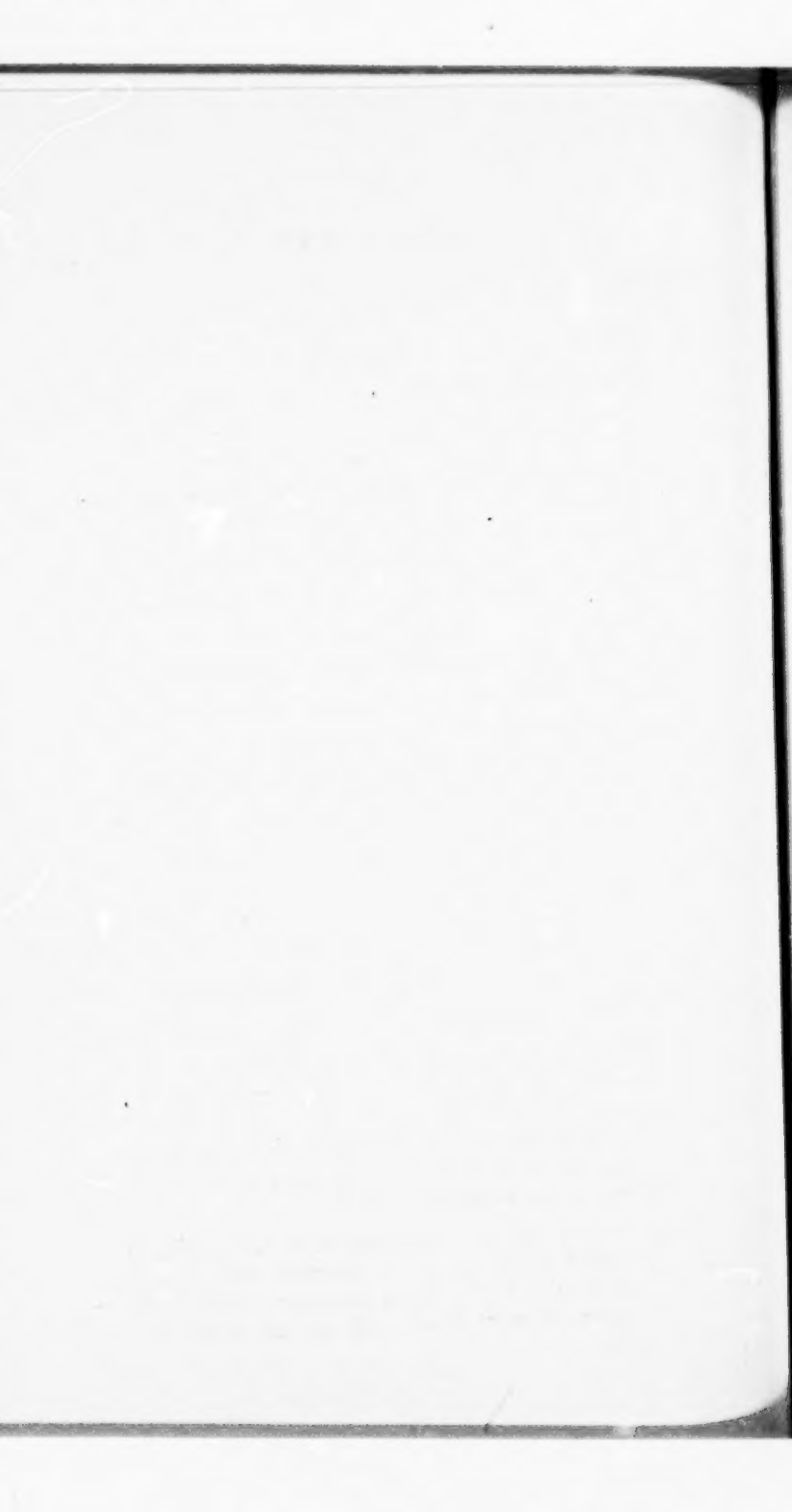
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BRIEF OF APPELLEE
GENERAL MOTORS CORPORATION

STATEMENT

This is a direct appeal from the final judgment of the District Court in a civil antitrust case. The District Court held, after trial, that appellees did not engage in a combination to suppress competition in the sale and distribution of Chevrolet automobiles in the Southern California area in violation of Section 1 of the Sherman Act.

The complaint alleged that General Motors had violated the Sherman Act by inducing and persuading its Chevrolet dealers not to sell Chevrolets through discount

houses and referral services.* Chevrolet dealerships are locally owned and operated by independent businessmen under franchise agreements with Chevrolet (Fdg. 9, R. 1377).** Under these Dealer Selling Agreements, each Chevrolet dealer is free to sell Chevrolets at any price and to any person anywhere he finds a customer; there is no restraint on the retail prices at which the dealer may sell or upon the customers to whom he may sell. The dealer has neither territorial exclusivity nor territorial security (Fdg. 10, R. 1377; R. 330-331, 360, 417). In the early summer of 1960, some Chevrolet dealers in the Southern California area were selling new Chevrolets pursuant to agreements under which discount houses performed many of the merchandising functions normally performed by Chevrolet dealers. These discount houses, which operated at locations removed from the approved location of the Chevrolet dealer involved, maintained new car sales departments which advertised Chevrolets and distributed Chevrolet promotional literature (Fdgs. 18-19, R. 1384-1385).

In the Los Angeles Metropolitan Area, Chevrolets were being sold through 23 discount house outlets (R. 1238-1239). These discount houses were outlets or loca-

* Although the term "discount house" in this case carries a misleading inference of lower prices for automobiles, we shall hereafter follow appellant's practice of using "discount house" to cover both discount houses and referral services. The implication of lower prices is misleading because there is no evidence that Chevrolets can be or were purchased for less through discount houses (pp. 30-39, *infra*).

** General Motors Corporation manufactures and distributes Chevrolets through its Chevrolet Motor Division (herein called "Chevrolet"). The operation of the Chevrolet franchise plan is described and discussed at pp. 16-22, *infra*.

tions for the merchandising of Chevrolet dealers' new Chevrolets in addition to the outlets whose number and location had been determined by Chevrolet as optimum for the proper operation of its franchise plan. Dealers' use of these outlets was a way of accomplishing that which was prohibited by the clause (the "location clause") of the Chevrolet Dealer Selling Agreements requiring dealers to refrain from establishing additional locations or branch sales offices without the written approval of Chevrolet (Fdgs. 20, 25, R. 1385, 1388; R. 77-78).*

The practice by some Chevrolet dealers in the Southern California area of regularly using discount houses as sales outlets was first brought to the attention of the General Motors executives in Detroit in November 1960, when they received a large number of letters and telegrams from Southern California dealers and salesmen asking General Motors to do something about the situation. General Motors thereupon made its own investigation and study of the use of discount houses as sales outlets by dealers for all makes of General Motors cars throughout the United States. No dealers or dealer organizations were consulted (Fdgs. 36, R. 1391-1392; R. 362-366, 409-410).

Upon the basis of this study, General Motors, on December 14, 1960, formulated the corporation's position in a letter which was thereafter sent to all of the more than 15,000 Cadillac, Oldsmobile, Buick, Pontiac and Chevrolet dealers in the United States. The letter expressed the corporation's opposition, in the light of the

* The origin and operation of the location clause is described and discussed at pp. 17-20, *infra*.

dealers' obligations under their Dealer Selling Agreements, to arrangements by dealers with discount houses for the sale of the dealers' new cars through such discount houses. It pointed out that such practices could represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Dealer Selling Agreements. It advised that personnel of the several motor car divisions were being instructed to meet with General Motors dealers for the purpose of attempting to induce and persuade each such dealer to refrain from entering into arrangements for the sale of new General Motors cars through discount houses in violation of his Dealer Selling Agreement (Fdg. 36, R. 1391-1392; R. 741-746, 1303-1323).

Thereafter, acting independently of General Motors, individuals representing the appellee dealer associations shopped discount houses in the Los Angeles Metropolitan Area, and by purchasing new Chevrolets from some dealers through discount houses found that some dealers were continuing to use discount houses as sales outlets. They so informed the Los Angeles Zone Office of Chevrolet, which brought each shopped car to the attention of the dealer who sold it and asked him whether he wished to repurchase the car. The Zone Office, realizing that dealers employ many salesmen, recognized that "it is quite possible for a car to get away from a dealer without him knowing anything about it" (R. 456). This was a way of showing the dealers that "there was a possible violation of the selling agreement" and of trying to "persuade them to stop it" (Fdgs. 41, 42, R. 1393-1394; R. 471).

The District Court heard the testimony of the president of General Motors and of the vice president in charge of distribution, who acted for the corporation in this matter, as well as that of the Los Angeles Chevrolet zone manager who was in charge of carrying out the corporation's instructions. The court found that General Motors had acted independently and without combination, conspiracy or concert of action with the Chevrolet dealers or the appellee dealer associations (Fdgs. 37 and 45, R. 1392-1393, 1395-1396).

By agreement, at the conclusion of the testimony and two weeks prior to final argument, the Court was furnished by each party on July 14, 1964, with a separate set of proposed findings with appropriate record references. After two days of argument, the Court announced its opinion and decision in favor of appellees on August 24, 1964. Under the local rules (Rule 7), the counsel for the successful party prepares the proposed findings and conclusions. In keeping with this practice, the District Judge directed the appellees to submit revised consolidated findings and conclusions which would reflect what he called the "gist of my decisions" (R. 1371-1372). These were lodged with the Court on August 31, 1964. After obtaining an extension of time, appellant, under local Rule 7, filed objections to two of appellee's proposed findings and proposed substitute findings for them on September 10, 1964. The District Court adopted one of appellant's proposed findings and rejected the other, added a paragraph to the conclusions, and signed and filed the findings of fact and conclusions of law on September 14, 1964 (R. 1373-1399).

ARGUMENT

INTRODUCTION AND SUMMARY

A.

Appellant tried this case in the District Court upon the theory that appellees were engaged in a *conspiracy* to prevent sales by Chevrolet dealers through discount houses which appellant characterized as a group boycott — a *per se* violation (R. 1366). Appellant expressly stated that it did not claim that the Chevrolet Dealer Selling Agreement (or its location clause) was an unreasonable restraint of trade in violation of the Sherman Act. In a pre-trial memorandum, appellant stated,

“Moreover, this case does not attack the provisions in the General Motors contracts with its franchised dealers which General Motors refers to as ‘location limitation’ clauses. Assuming *arguendo* that General Motors has characterized such provisions accurately, they do not, either separately or collectively, constitute the factual basis for the conspiracy alleged in the Complaint. The Government does not contend that such contracts constitute the violation charged.” (Reply Memorandum of September 16, 1963 on Plaintiffs Motion for Informal Pretrial Conference, p. 2, lines 12-18, unprinted)*

* References to unprinted portions of the record are necessary by reason of appellant's change in the theory of its case and by reason of its use of unprinted portions of the record in support of its new theory — circumstances which General Motors could not foresee at the time portions of the record were designated for printing.

On the first day of the trial, counsel for appellant said,

"The contract does not form any part of the Government's case. It is not charged to be illegal." (Rep.Tr., June 16, 1964, p. 9, lines 1-2, unprinted)

And in appellant's argument at the end of the trial, the following colloquy took place between the trial court and counsel for appellant:

"THE COURT: But I think we are missing my point. My point that I am trying to find out is: There has to be a conspiracy here to make out a case, isn't that right?

"MR. BLECHER: That is correct." (Rep. Tr., July 27, 1964, p. 961, lines 15-18, unprinted.)

Having lost on the conspiracy charge, appellant now shifts its position and argues that the location clause is an unreasonable restraint of trade as applied to dealers' use of discount houses as sales outlets. This argument is one upon which an economic inquiry is essential. *White Motor Co. v. United States*, 372 U.S. 253, 263. Yet at the time of the trial, appellant regarded an economic inquiry as "not permitted" and urged the Court to "avoid a needless expansive, fruitless inquiry into the realm of ethereal economics."* Indeed, appellant objected to the introduction of evidence regarding the effect of the location restriction on the ground that appellees were guilty of a *per se* violation, and yet it now contends that appellee had the burden during the trial

* Rep. Tr. of Sept. 23, 1963, p. 25, line 24, unprinted; Plaintiff's Objections to Evidence dated June 1, 1964, p. 4, lines 13-14, unprinted.

to prove that the restraint is not unreasonable (Rep. Tr., June 17, 1964, pp. 239, 241, unprinted; Br. 25).

B.

In its argument in this Court, appellant recognizes that certain restrictions on General Motors dealers may be justified in the light of the long-range needs of inter-brand competition, and it states that it is "not attacking the franchise system" (Br. 26-27, 37). Moreover, appellant concedes *arguendo* that "a proliferation of branch locations may impair General Motors' planned spacing of franchised dealers" (Br. 33), thereby assuming the reasonableness of applying the location clause to prevent dealer-operated branch locations. This concession narrows the issue to this: Does the record show that the use of discount houses as sales outlets would be so much less detrimental to the Chevrolet marketing plan than the use of dealer-operated branch locations that a restriction on employing such discount house sales outlets would be unreasonable?

In defending against the conspiracy charge, General Motors contended that it had acted independently in furtherance of its own interests. To prove that there were valid reasons for independent action, it offered evidence showing that dealers' use of discount houses as sales outlets would adversely affect its marketing plan. Focusing squarely on that issue, the District Court found that dealer's arrangements for use of discount houses as sales outlets "have a greater inimical effect on such [franchise] system than the establishment of dealer-controlled branch sales offices" (Fdg. 25, R. 1388). Appellant

does not directly challenge this crucial finding, though it is apparent that the finding must be overturned if appellant is to prevail. Rather, appellant mounts a theoretical argument to the effect that "the restriction on discount house selling is both more restrictive on the dealers and less necessary to General Motors" than the restriction on dealer-operated branch locations (Br. 33-35). That argument is not supported by a single record citation.

C.

In its brief, appellant strains to create the illusion that discount houses are necessary to create price competition in the sale of Chevrolets in the Los Angeles Metropolitan Area. Thus, appellant says that there will be no sales through discount houses if the prices and margins of dealers are "reasonably low" but that sales through discount houses are necessary to break the "artificial price and profit level" (Br. 28-29). Without discount house outlets, so the argument goes, dealers with higher prices will indefinitely escape price competition at their location (Br. 23). This argument reflects so fundamental and far-reaching a misunderstanding of the Chevrolet plan of marketing that it infects appellant's entire argument.

There are 85 Chevrolet dealers in the Los Angeles Metropolitan Area, and the entire area is the zone of responsibility of each of them. Each of them advertises and sells cars throughout the metropolitan area, which is interconnected by high speed freeways and which has one of the most mobile populations in the world.

These 85 dealers price their cars to the public in an absolutely free, highly competitive market which includes

326 dealers of other makes. In establishing his prices, each Chevrolet dealer competes with 84 other Chevrolet dealers each of whom is charged with devoting his principal efforts to the entire area. Moreover, on the average, each of the 85 dealers has five other Chevrolet dealers within five miles of him and many more within easy driving distance, and therefore is subject to vigorous intra-brand as well as interbrand competition.

Where 85 separate dealers are making individual pricing decisions, it is only natural that some will charge more than others. Some will emphasize price in their competitive struggle and others will emphasize service and other factors. But any dealer who is "high priced" in relation to other Chevrolet dealers can expect to see his volume drained off by one of the 84 others in the metropolitan area.

Discount houses are not necessary to create price competition; the 85 dealers do it themselves by competing for customers in a free market. Blanketing the area, these dealers are "in vigorous competition with each other in discounting prices in the sale of Chevrolets" (Fdg. 31, R. 1389). Discount houses are not a "safety valve" providing Chevrolets at which appellant considers "reasonably low" prices. They are simply a way for a dealer to get a second location in violation of his contract.

D.

In the argument that follows, we shall demonstrate that the record in this case requires affirmance of the District Court decision. After describing the necessity for

the Chevrolet plan of marketing and how it operates, we shall show that the location clause is essential to the success of the plan and that it is entirely reasonable and necessary to apply the location clause to prevent dealers' use of discount houses as sales outlets. The District Court found that the location clause, so applied, does not limit price competition (Fdg. 30, R. 1389). There is no evidence to the contrary. As the District Court found, the franchise plan, with the location provision as its keystone, actually enhances competition (Fdg. 33, R. 1390-1391). Among other things, it prevents the concentration of marketing in large dealers with discount house satellites.

The conspiracy argument, which was appellant's sole reliance in the District Court, is all but abandoned in its brief in this Court, with only slightly more than one page of argument being devoted to asserting that General Motors joined the dealers in a program to prevent sales through discount houses (Br. 41-42). Whether General Motors acted independently or acted jointly with the dealers is a question of fact. *Theatre Enterprises v. Paramount*, 346 U.S. 537, 542. On this question of fact, the District Judge heard the testimony of those responsible for General Motors' conduct explain what they did and why they did it. He believed their testimony which showed that General Motors acted independently in furtherance of its own interests and not jointly with any Chevrolet dealers and he so found (Fdgs. 37, 45, R. 1392-1393, 1395-1396). Appellant is not entitled to a trial *de novo* in this Court on this question of fact.

I. CHEVROLET'S APPLICATION OF THE LOCATION PROVISION TO PREVENT DEALERS' USE OF DISCOUNT HOUSES AS SALES OUTLETS IS NOT AN UNREASONABLE RESTRAINT OF TRADE.

The argument in this section is based upon the assumption that the issue of the reasonableness of the location clause as applied here is properly before this Court, although appellant expressly disclaimed challenging it in the trial court. See *supra*, pp. 6-7. To assess the reasonableness of applying the location clause to prevent dealers' use of discount houses as sales outlets, it is essential to know "the economic and business stuff" out of which this action emerged. *White Motor Co. v. United States*, 372 U.S. 253, 263. Accordingly, we commence this argument with a statement of the facts, drawn from the record, showing the need for a dependable dealer organization and a description of the Chevrolet franchise plan. We then demonstrate that the location clause is the keystone of this plan and that its application to prevent dealers from using discount houses as sales outlets is not an unreasonable restraint of trade.

A. Chevrolet needs a dependable dealer organization by reason of the nature of the product and market.

It is essential for Chevrolet to have a dependable dealer organization in order to meet the demands imposed by the nature of the product and the market. The dealer organization must be able to meet the following requirements:

1. To perform functions in aid of manufacturing.

The mass production of automobiles requires constant and detailed forward planning, with long lead times for suppliers of raw material and for the subcontractors who fabricate many of the parts used (R. 336-340). Year in and year out, Chevrolet needs dependable dealers in close contact with consumers and capable of reporting data on future consumer demands essential to rational production scheduling at the factory. Chevrolet therefore depends upon dealers whose salesmen have lists of prospects and keep in close touch with Chevrolet owners and others who may be interested in a new car. Dealers make demonstrations, appraise used cars, and try to make sales. Through these close relationships, the Chevrolet dealer can make, each month, an informed estimate of his future requirements in numbers of units and in customer tastes and preferences (R. 315, 336-337, 355). Under the Chevrolet Dealer Selling Agreement, each dealer is required each month to forecast his needs for that month and the ensuing three months (R. 531, 569).

Accurate forecasts from the dealer organization help prevent fluctuations in production which tend to increase costs (R. 357-358). It is an expensive process to change the scheduled flow of production stretching from the plants of raw material suppliers to the dealers' showrooms (R. 338-340). Steady production holds down the price of cars and also contributes stability to a national economy in which one-seventh of all persons gainfully employed work in the automotive industry or in industries serving automotive needs (R. 342-343).

2. To provide service and parts facilities in convenient locations for consumers.

Conveniently available service is essential to the reliable, safe operation of an automobile. It is a complex mobile product with about 2,000 moving parts and requires periodic service in ordinary use (R. 51, 299-301). In addition, warranty obligations and the increasing scope of product liability make it incumbent upon manufacturers to have an adequate number of facilities properly equipped and located to perform every needed service. Chevrolet satisfies this requirement of comprehensive service on a national basis through the network of Chevrolet dealers equipped to meet all service requirements of Chevrolet owners (R. 304-305, 334-335, 537, 544). Also, Chevrolet dealers are a constant source of information concerning product problems and possible defects which may arise in the field after the new car has left the assembly plant. Some of these defects are minor and only annoying; a few may be serious. This flow of knowledge and information is essential to a speedy and effective remedy (R. 332-334).

General Motors attaches such importance to service and safety that it maintains 30 service centers around the country for the training of dealers' service personnel. Over \$30,000,000 is invested in these centers, where mechanics and supervisors attend classes and practice using the specialized equipment and tools dealers use to service Chevrolets (R. 301-303).

Convenient service helps make satisfied customers. Since the average new car buyer purchases a car every 3½ years, and since about 70% of Chevrolet sales are to

repeat customers, satisfied customers are the key to success in meeting competition. Adequate service facilities located conveniently to customers are thus necessary tools in selling Chevrolets (R. 75, 301).

Chevrolet cannot depend on come-and-go retailers to perform the important function of offering adequate service and parts to Chevrolet owners at convenient places. It needs dealers who can afford to invest from \$70,000 to a maximum of approximately \$1,500,000 in the dealership, which includes a parts inventory and specialized service tools required for servicing Chevrolets (R. 209, 303-304, 1382). It needs enough experienced dealers willing to commit their capital for these purposes to assure the Chevrolet owner that convenient and adequate facilities are available to perform whatever service his car may require anywhere in the country. It is not the number of retail outlets which satisfies the service needs of Chevrolet owners, but the year-in, year-out quality of adequately equipped and conveniently located dealer outlets.

3. To push sales of Chevrolets against the competition of other makes.

The intense rivalry among competing makes, which is reflected by the constant changes from year to year in sales rankings of various models and makes, is an ever present threat to any manufacturer's sales standing. A dependable selling organization, devoted to pushing Chevrolets against other makes and located and equipped to reach prospective buyers, is the most, if not the only, effective defense against sales failure.

There are peaks and valleys in the automobile market, during a model year and from year to year. Demand may be affected by model changes, winter weather, business recessions and miscalculations in size, styling or mechanical design. To meet these problems, Chevrolet needs a dealer organization which can be relied upon to create demand during slack seasons and which is capable of surviving lean years, remaining ready to stage a comeback (R. 305-307). For example, dependable dealer organizations helped Buick, Oldsmobile and Pontiac cope with the problems caused by the transition to smaller cars (R. 310-311).

B. The Chevrolet franchise plan.

The Chevrolet plan of marketing is designed to provide Chevrolet with a dependable dealer organization which will perform the essential functions just described. Under this plan, Chevrolet markets its cars by selling them to locally owned and operated independent businesses called "dealers" for resale to customers. Each dealer has a franchise agreement with Chevrolet called a "Dealer Selling Agreement."

Under this agreement, Chevrolet grants to the dealer the non-exclusive right to purchase new Chevrolets in return for his undertaking, among other things, to: (1) resell them in a manner which will promote sales and preserve the goodwill of Chevrolet; (2) perform functions in aid of the manufacturing operation; (3) provide adequate service and parts facilities for Chevrolet owners (R. 515-615).

1. Freedom to sell at any price.

Under the franchise plan, Chevrolet dealers in the Los Angeles Metropolitan area and elsewhere are free to sell at any price and they do so. Chevrolet exercises no control over dealer retail prices and the dealer's customer can purchase his car at whatever price he can negotiate (R. 330-331; 360-361).

2. Freedom to sell to anyone, anywhere.

All Chevrolet dealers are also completely free to sell to anyone, anywhere and they do so. There is no geographical barrier — neither territorial confinement, territorial security nor territorial exclusivity.* "Cross-selling" is not prohibited. The Chevrolet dealer can send his salesmen anywhere and sell to a customer wherever he can find one. No class of customers is excluded (R. 330).

3. The right number of dealers in the right locations.

If Chevrolet dealers are to stand ready, year in and year out, to perform the manufacturing, repair and sales functions, they must have a chance to succeed — a profit opportunity. Unless the dealer has a profit opportunity, he has no incentive to make and maintain the required investment or to hold good salesmen. Ultimately he will be unable to afford to do so.

The former head of the General Motors Dealer Organization Department, who has been studying the problem of marketing motor cars since 1922, described the Chevrolet marketing plan as follows:

* Unlike the contracts in *White Motor Co. v. United States*, 372 U.S. 253.

“ . . . the most effective way for Chevrolet to compete at the retail level against its rivals was to follow a course in the appointment and location of dealers which would give reasonable assurance that during good years and bad and for popular as well as less popular model years, a network of qualified dealers would be operating throughout the country, dedicated to the promotion of the sale of Chevrolets and adequately equipped and staffed and conveniently located to take care of the service needs of Chevrolet owners. This goal could be attained and maintained only if the dealer body, as a group and individually, could foresee a reasonable prospect over a reasonable period of years for a satisfactory return on the heavy investments they were being asked to make. Obviously it was not General Motors' policy to attempt to guarantee profitable operations for each of its dealers” (R. 205-206).

Crucial to the Chevrolet franchised dealer plan is the selection of the right number of dealers located in the right places. Too few or too widely spaced dealer locations would put Chevrolet at a competitive disadvantage by reducing total sales effort and by failing to provide adequate and convenient service and parts supply facilities where consumers need them. Too many or too closely spaced dealer locations would mean inadequate profit opportunity for Chevrolet dealers because of the overabundance of sales outlets compared to potential customer purchasing power. Qualified persons with adequate capital would then be discouraged from undertaking or continuing the substantial investment in facili-

ties, personnel and effort required to sell and service Chevrolets successfully.

Appellant urges that General Motors' desire that each dealer be so located as to have a profit opportunity means that General Motors seeks to limit price competition (Br. 40). Appellant misconceives the function of profit opportunity. The prices charged by the dealer are up to him. What General Motors desires is that each dealer have sufficient sales potential to have a profit opportunity so that if he is diligent and vigorous in the face of competition, he or a qualified successor can exist at a location where a dealer is needed to perform sales and service functions and functions in aid of manufacturing.

The selection of the right number of dealers located in the right places is a continuing process based on comprehensive studies which General Motors has developed over a period of 40 years. The fluidity, change and growth in our economy have made this a complex and year-around task. Because of the availability of motor vehicle registration data in public records (including names, addresses, and makes of cars by model years of all motor vehicle owners and the number of sales made each month by make and model), the sales potential of each neighborhood and community for all makes of cars can be determined with reasonable accuracy (R. 210). Coupling these data with its own extensive field studies and experience, Chevrolet can periodically make an informed judgment as to where Chevrolet dealers should be located and how many there should be (R. 206-218). Chevrolet aims not to put two dealers in a neighborhood which

could support only one. Otherwise it might end up with none.

4. The location clause.

The location clause is essential to the objective of having the right number of dealers at the right locations. This clause, which is part of each Chevrolet Dealer Selling Agreement, provides that the business location of each dealer must be specifically approved in writing by Chevrolet and that the dealer cannot establish an additional business location or branch sales office without the prior written approval of Chevrolet (R. 539-540, 578). Chevrolet and not the dealer has the right to determine whether he may establish additional locations (R. 327-328).

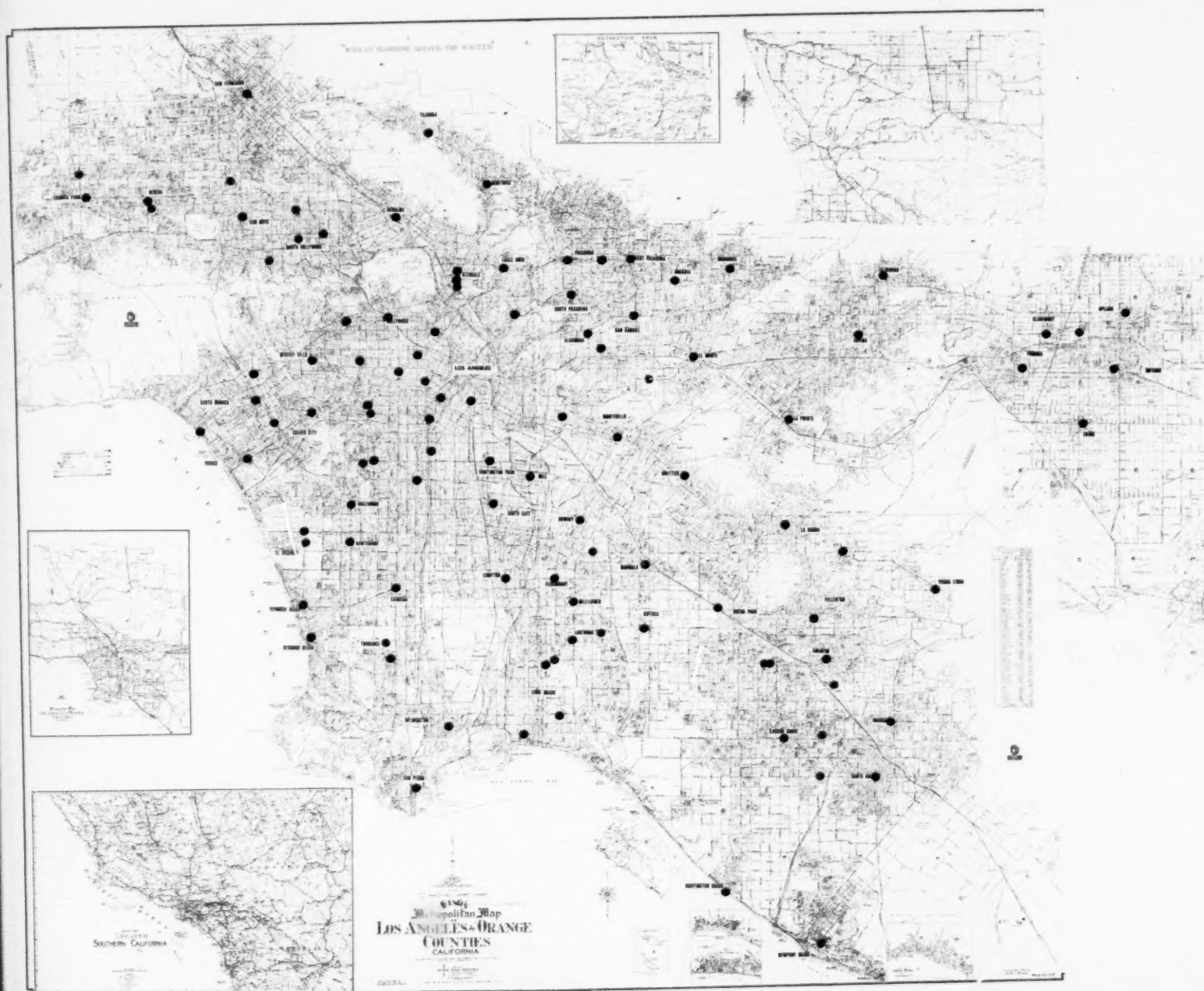
The location clause was adopted in 1940 and is a part of all General Motors Dealer Selling Agreements. It was not adopted at the instigation of the dealers. It was developed by General Motors exclusively to serve its own interests following many years of market analysis and practical experience (R. 213). Its purpose is to prevent dealers, by haphazard action, from destroying the Chevrolet plan of marketing described above.

5. Dealer locations in the Los Angeles Metropolitan Area.

The locations of the 85 Chevrolet dealers throughout the Los Angeles Metropolitan Area (which includes most of Los Angeles and Orange Counties) are graphically shown on defendants' Exhibit A, a reproduction of which is inserted between this page and the next page.*

* Although the complaint alleged that all Chevrolet dealers in the Southern California area were co-conspirators, the issues at the trial were limited to dealers in the Los Angeles Metropolitan Area.





• Chevrolet Dealer

Los Angeles Metropolitan Area

(Reduced Copy of G. M. Ex. A without numerals or dots)

Defendants' Exhibit B, a similar map, shows the locations of these 85 Chevrolet dealers and of the 326 non-General Motors dealers in five of the competing makes of new cars.*

Under the Chevrolet franchise plan each of the 85 Chevrolet dealers is expected to and does compete for customers throughout the entire area and even beyond. Each dealer's location gives him the advantage of closer contact with and greater convenience to customers in his neighborhood. However, if he does not meet or beat the prices and other competitive efforts of the remaining 84 Chevrolet dealers, so as to convince customers in his neighborhood that he is the best Chevrolet dealer for them, he will be unable to capitalize on this advantage. Thus, the plan is based on a principle of vigorous intra-brand competition among Chevrolet dealers as well as inter-brand competition between Chevrolet dealers and dealers in other brands.

As shown by the map, there is an average of five other Chevrolet dealers within five miles of each of the 85 Chevrolet dealers in the Los Angeles Metropolitan Area (R. 1232; 1240-1260). Within the same five miles there is an average of 22 dealers in competing makes of new cars exclusive of competing General Motors makes (*Ibid.*).

In the Los Angeles Metropolitan Area, this plan of marketing has resulted in the appointment of both small and large Chevrolet dealers. Those involved in the Price

* Enough copies of defendants' Exhibits A and B have been filed with the Clerk so that each member of the Court may have a full-sized copy.

Waterhouse & Co. study (*infra*, pp. 31-38) ranged in 1960 sales volume of passenger cars and trucks from 241 to 4,789 per dealer (R. 1229-1230). That study shows that over 35% of the Los Angeles Metropolitan Area dealers are small dealers selling 700 or fewer Chevrolet passenger cars and trucks per year (R. 1229-1230). The evidence shows that these small dealers will be the first casualties of a policy of permitting dealers to use additional sales outlets, such as discount houses (R. 223-224; 1333).

C. The reasonableness of the location clause as applied to dealers' use of discount houses as sales outlets is supported by uncontradicted evidence.

In direct contradiction to its earlier position, appellant contends on this appeal that the location clause in each Dealer Selling Agreement, as applied to dealers' use of discount houses as sales outlets, is an unreasonable restraint of trade in violation of the Sherman Act* (Br. 21-37). The burden is on appellant to prove this claimed violation. *United States v. duPont & Co.*, 351 U.S. 377, 381; *Standard Oil Co. v. United States*, 283 U.S. 163, 178-179.** And to prove unreasonableness,

* Restrictions against the establishment by a franchised dealer of another business outlet in addition to his approved franchise location were held not violative of the Sherman Act in the only other case considering the question. *Boro Hall Corp. v. General Motors Corp.*, 124 F.2d 822 (2nd Cir. 1942); *re-hearing denied*, 130 F.2d 196 (2nd Cir. 1942); *cert. denied*, 317 U.S. 695.

**On this appeal, appellant has even a greater burden. It is not entitled to a trial *de novo*. It must show that the trial court's findings which are relevant to this contention are "clearly erroneous." Rule 52(a), Federal Rules of Civil Procedure; *International Boxing Club v. United States*, 358 U.S. 242, 252; *United States v. Real Estate Boards*, 339 U.S. 485, 495-496; *United States v. Yellow Cab Co.*, 338 U.S. 338, 341-342.

appellant's burden is to establish *by evidence* "the facts peculiar to the business to which the restraint is applied; its condition before and after the restraint was imposed; the nature of the restraint and its effect, actual or probable." *Chicago Board of Trade v. United States*, 246 U.S. 231, 238; *White Motor Co. v. United States*, 372 U.S. 253, 261. Appellant's attempt to shift to appellees the burden of proving that the location clause as applied to dealers' use of discount houses is not an unreasonable restraint of trade is not supported by any authorities.* However, in this section we shall show that whatever the allocation of the burden of proof, the facts contained in the record establish the reasonableness of the location clause as applied to prevent dealers from using discount houses as additional outlets.

1. Dealers' use of discount houses as additional sales outlets would impair the franchise plan, causing the smaller dealers to quit and concentrating market power in larger dealers with discount house satellites.

Appellant recognizes *arguendo* in its brief that establishment of dealer-operated branch locations may impair the franchise system:

"We may concede *arguendo* that a proliferation of branch locations may impair General Motors' planned

* The only case cited by appellant, *United States v. Philadelphia National Bank*, 374 U. S. 321, is far afield. That case did not involve the burden of persuasion or proof. Rather, what the Court held was that it was the Court's duty "to simplify the test of illegality" and that where a merger "produces a firm controlling an undue percentage share of the relevant market, and results in a significant increase in the concentration of firms in that market", the merger will be enjoined unless there is evidence showing that it will not have anticompetitive effects. 374 U.S. at 362-363.

spacing of franchised dealers, as it contends, by depriving some individual dealers of a sufficient profit opportunity for them to bear the burdens imposed by the franchise contract in regard to, for example, servicing, showroom display, inventory, and periodic reports; and, further, that if each dealer were free to penetrate the territories of other dealers by the establishment of branch locations, the dealer's incentive to cultivate intensively his own territory might be reduced." (Br. 33-34)

Appellant goes on, however, to make an entirely theoretical argument which challenges the reasonableness of applying the clause to prevent sales through discount houses — as distinguished from dealer-operated branch locations — and asserts that it is "more restrictive on the dealers and less necessary to General Motors" (Br. 33).

Appellant's unsupported argument contradicts an explicit finding of the trial court:

"The use by Chevrolet dealers of discount houses or referral services as sales outlets for new Chevrolets defeats an important objective of the Chevrolet franchise system and is in derogation of the system. Such arrangements have a greater inimical effect on such system than the establishment of dealer-controlled branch sales offices. They can be established and quickly multiplied with no investment in facilities and with no overhead burden. The quality of their personnel is accidental. They are a way of accomplishing that which is directly prohibited by Paragraph 6 of the Dealer Selling Agreement." (Fdg. 25, R. 1388)

Appellant does not attack this finding as "clearly erroneous." The evidence which supports it is summarized in the remainder of this section.

As early as the 1920's, General Motors had learned from actual experience that too many outlets did not increase demand and, in the long run, weakened rather than strengthened its ability to compete for the available sales (R. 204-205). Accordingly, the Chevrolet plan of marketing is based upon the premise that dealers should be matched to areas of sales and service potentials. If dealers are free to establish additional sales outlets (whether at discount houses or at locations set up by the dealers themselves), all of Chevrolet's careful planning as to how best to compete against other makes of cars can be defeated by the haphazard actions of individual Chevrolet dealers. For that reason, the Dealer Selling Agreement specifically requires the written consent of Chevrolet before a dealer can establish an additional sales outlet (R. 213, 578). It is upon the basis of this provision that Chevrolet refuses to permit dealers to arrange for their cars to be sold at unapproved locations such as discount houses.

The establishment by dealers of unauthorized outlets at discount houses upsets the balance of dealer outlets matched to sales potentials at least as adversely as estab-

lishment of dealer-operated branch offices (R. 191-192).^{*} It is just as reasonable to prohibit dealers' unauthorized use of additional sales outlets at places called "discount houses" as to prohibit dealers' unauthorized use of sales outlets at places called "branch offices."

If the planning potential of the Los Angeles Metropolitan Area is sufficient to support 85 Chevrolet dealers (as Chevrolet's studies show it is), the introduction into the area of 23 additional outlets in the form of discount houses is bound to have an adverse effect on the dealers who are not using the discount houses. As the president of General Motors Corporation testified,

"Quite a few times in the past I have seen other organizations over-dealered in certain cities of the country. And they always end up in difficulty.

"I think it would be equally applicable here, because what this amounted to would be equivalent, the equivalent of appointment of a number of additional dealer outlets in this area" (R. 420).

If an area is overdealered by the establishment of discount house outlets the more powerful dealers with their

* The discount houses through which Chevrolets were sold were places of business performing merchandising functions in the sale of the dealers' Chevrolets (R. 33-35, 106-107, 170-173, 179-180). They advertised widely that Chevrolets could be purchased through them (R. 173-174, 1261-1291). In some instances, the dealers' Chevrolets were displayed for sale at the discount house (R. 179). In some, the discount house had authority to make the sale for the dealer (R. 171). Appellant refers to the discount houses as "sales agencies" of the dealers (Br. 22, 34).

discount house satellites will survive. The smaller dealers will fail or quit (R. 223-224).*

As a consequence, in some areas where Chevrolet needs a dealer to perform functions in aid of manufacturing operations and to provide convenient service and parts facilities, there will be only discount houses. This result is more harmful to the franchise system than a branch location operated by the dealer, as the trial court found (Fdg. 25, R. 1388). Discount houses depend on "floor traffic" and cannot make informed estimates of their future needs. They do not have service or parts facilities.

Moreover, in contrast to a dealer or a dealer-operated branch location, discount houses have no organized system for developing customers for Chevrolets so that General Motors may achieve a level flow of manufacturing and employment and thus hold down costs. Since discount houses do not try to sell Chevrolets, they would tend to sell the most popular make or model of a particular year. Indeed, they avoid even suggesting any make of car (R. 184-185).

* The Price Waterhouse & Co. study (discussed *infra*, pp. 31-38) shows, among other things, that it is the small dealer who will be hurt by the use of discount houses as additional sales outlets. Eleven of the fifteen dealers studied whose personnel complained in November 1960 to General Motors in Detroit had sales below the median in volume in 1960 in the Los Angeles Metropolitan Area — Barnett, Cone Bros., Cone Chevrolet, Erskine, Keown, Miller, Ostrom, S & J, Seaboard, Selman and Steves (R. 1229-1230). Owen Keown, a small dealer at Venice, California (671 passenger cars and trucks per year), who is located near a discount house through which Chevrolets were sold (Castle Sales, Inc. at More Department Stores), testified that if nearby discount houses were to reduce his sales by as little as 10 or 15 sales a month, he would not break even (R. 45, 1229).

And discount houses would have no competence for selling Chevrolet trucks, which is almost an engineering assignment (R. 351).

The existence of the discount house as a place of business where Chevrolets can be purchased threatens to dilute the sales potential of the nearby dealer regardless of the comparative prices. There is a psychology that at a discount house, merchandise can be purchased cheaper than anywhere else. As a dealer said,

"I believe a lot of people went into a discount store just because it had a sign up 'Discount House' and just willy-nilly bought a car without any knowledge as to what the car could be purchased for. Consequently our salesmen would lose the deal." (R. 191)

Other dealers complained that customers were being sold by discount houses before the dealers' salesmen had a chance to sell the customer (R. 156, 474).

Automobile sales are usually engendered on the basis of customer contact and discount houses were, for the dealer, additional sources of customer contact (R. 97-98, 420). Warren Biggs, a Chevrolet dealer who sold cars through discount houses, testified,

"The important point was that these locations were the basis of contact for the customer, and if there were a referral house three blocks away from me sending customers to a dealer 20 miles away from me, even though that dealer perhaps was not under-cutting me on price, the mere fact that the availability of the contact there for the customer was the important thing,

and I am speaking now from the dealer standpoint.”
(R. 98)

Appellant expresses concern about “the high degree of concentration at the [automobile] manufacturers’ level” and urges that it should not be transmitted to the retail level saying, “While there are few manufacturers, there are many dealers, and competition at the dealer level should be preserved” (Br. 23). The findings and evidence show, however, that the way to preserve competition and avoid concentration at the dealer level is to uphold the location clause, not weaken it. Thus the district court found:

“The failure to restrict the use of discount houses or referral services as outlets for new Chevrolet cars would, in time, cause the withdrawal from business of a substantial number of Chevrolet dealers.” (Fdg. 23, R. 1386)

This finding is supported by uncontradicted evidence showing that if appellant were to succeed in invalidating the location clause as applied to dealers’ use of discount houses as sales outlets, the inevitable result would be the destruction of small dealers. The studies of Price Waterhouse & Co. show this (R. 223-224), and experience in the automobile industry has shown that too many outlets cause mortality among dealers (R. 74, 77, 359).

Ultimately, General Motors and other automobile manufacturers would be “left to the device of trying to develop individual customers or markets” in the areas where small dealers were driven out because, as shown above, discount houses cannot perform functions indis-

pensible to the manufacturing and marketing process (R. 346). Every automobile manufacturer has a franchise system comparable to General Motors' system (R. 387) and all the evidence is contrary to appellants' unsupported assertion that excision of the location clause "would not endanger the survival of the franchise system in the automobile industry."

2. The location clause does not lessen price competition.

In this Court, appellant argues that the location clause prohibiting dealers' use of discount houses as sales outlets deprives Chevrolet customers of price competition in Orange County and elsewhere (Br. 21-23, 29). This contention is made without support in the evidence.* Indeed, at no time during the trial did appellant offer any evidence of prices charged by any dealers in direct sales vis-a-vis the prices charged by dealers in sales through discount houses.**

* Appellant's failure to produce any evidence on this point is perhaps explained by the comment of its counsel at the commencement of the trial:

"We don't care whether or not the discount houses sold for more or less than the Chevrolet dealers. Unfortunately, we got involved in the prior litigation and had a big to-do about that point which is not really a part of our case and which we propose to eliminate, insofar as we can, from this case." (R. 28)

** In offering in evidence letters and wires of complaint written by dealers and salesmen containing hearsay statements that Chevrolets could be purchased for less through discount houses, counsel for appellant stated that the letters and wires were offered "to show the state of mind of the writer" and "not to establish the fact that the discount houses were, in fact, selling for less than the dealers." Upon the basis of this statement, the letters and wires were admitted in evidence for that limited purpose (R. 295).

General Motors offered in evidence a study by Price Waterhouse & Co. of the prices ordinary retail customers paid for Chevrolets when buying directly from the seven dealers who sold through discount houses as compared with prices paid when buying from those dealers through discount houses. The study concluded that "there was no appreciable difference between the prices paid by customers who purchased Chevrolet passenger cars from a dealer through a discount house or referral service and the prices paid by ordinary retail customers who purchased directly from that dealer."* (R. 224) This is the only evidence in the record on the basis of which the dealers' sales through discount houses can be compared with prices on direct sales by dealers.

The uncontradicted evidence also is that Chevrolet dealers "almost always sold at a discounted price from the manufacturer's suggested list price, which, as a matter of law, has to be stated and affixed to each car that we ship." (R. 361) There was no evidence that there had been a suppression of price competition. Contrary to appellant's argument in this Court, the trial court found that:

"Restricting dealers from selling through discount houses or referral services does not limit price competi-

* General Motors offered this evidence in an attempt to exclude from the case the illusion (unfounded as to marketing of automobiles) that discount houses generally sell for less. The price study was an enormous task requiring 10,000 hours of the time of Price Waterhouse & Co. partners and employees. A Price Waterhouse & Co. partner testified, "We would have liked to have studied the whole 76 [dealers who were in business during all of 1960] but the time requirements to purify all of these data so that you had a decent basis of comparison would have been staggering." (R. 242)

tion. All dealers are free to sell at any price to any customer anywhere and the number and locations of Chevrolet dealers in the Los Angeles Metropolitan Area offer convenient opportunity and adequate choice to potential customers for Chevrolet automobiles to shop the dealers in the area for the most competitive deal. The number and proximity to each Chevrolet dealer of other Chevrolet dealers as well as dealers in rival makes gives the price-conscious purchaser the freedom and ability to pit the price of one dealer against the prices of the others and to give his patronage to the dealer who offers him the best price." (Fdg. 30, R. 1389)

- (a) Differences in retail selling prices to the public cannot be inferred from differences in average gross profits per car.

The premise of appellant's economic argument regarding the location clause is that ordinary retail customers paid Orange County dealers a higher price per car than was paid by the same type of customer to Los Angeles dealers. Building on this premise, appellant contends that the location clause suppresses price competition by prohibiting Los Angeles dealers from selling through discount houses in Orange County. Appellant says that

the Orange County dealers were "high-priced" (Br. 29).^{*} Basic to this proposition is the misconception that customers get better automobile bargains through discount houses than directly from dealers. Unable to find in the record any direct proof for this idea, appellant has fastened upon mistaken inferences drawn from average gross profit figures in dealers' financial statements.

Appellant made no attempt during the trial to offer any evidence regarding relative customer prices. In fact, it contended that such prices were not germane to the issues (*supra*, p. 30). Now in its brief appellant seeks to rest its argument upon the fact that the dealers' financial statements show that the average gross profit per car realized by Orange County dealers was \$315 compared to \$280 for dealers within the City of Los Angeles. Appellant says this comparison is valid because it assumes that since "all Chevrolet dealers buy from the manufacturer at the same price, differences in retail selling price may be inferred from differences in gross profits." (Br. 5) This is erroneous because dealers receive varying bonuses and allowances.

* No inference that a dealer is "high-priced" can be drawn from the fact that there are sales through discount houses in his neighborhood. Actually, discount house selling was widely dispersed throughout the metropolitan area. More than 70% of the Chevrolets sold through discount houses in 1960 in the Los Angeles Metropolitan Area were sold through discount houses located outside Orange County. The other 30% were sold through discount houses which had locations both in and outside Orange County (six in Los Angeles County, five in Orange County and one in San Bernardino County). GX 212 does not show the county in which the sales through these discount houses were made but, since only five of the twelve locations were in Orange County, it is probable that less than half of this 30% (no more than 220 Chevrolets) were made through Orange County locations (R. 876-1227).

Appellant errs in stating that Orange County Chevrolet dealers realized \$315 average gross profit per Chevrolet in 1960. Two of the ten Orange County Chevrolet dealers (Williams and Miller, GX 286, 258, unprinted) were also Oldsmobile dealers — a fact which appears on the face of their financial statements. Appellant has obtained the \$315 figure by including the gross profits these two dealers realized on Oldsmobile sales. Since Oldsmobile's price range is substantially higher than Chevrolet's, the gross profits on Oldsmobiles would tend to be greater than on Chevrolets. Hence the inclusion of Oldsmobile sales in appellant's calculations serves to inflate these dealers' average gross profits per car. The magnitude of appellant's error cannot be calculated from the financial statements but the correct figure is appreciably less than \$315.

There are other fundamental errors in appellant's use of the financial statements. As Price Waterhouse concluded and as is clearly shown by the record, average gross profit per car figures taken from dealers' financial statements are not intended to and cannot be used to determine the relative prices paid by ordinary retail customers.* They show how the dealer made out — not how the ordinary retail customer made out (R. 248). This error by appellant can most simply be demonstrated by comparing the dealer financial statements (GX 219, 223, 226, 234, 243, 268, 285, unprinted) and the price

* In making its retail price study, Price Waterhouse concluded that it was necessary to make a detailed analysis of the individual dealer and customer invoices and dealer sales journals in order to obtain any meaningful comparison of the prices paid by the ordinary retail customers (R. 251-253).

study made by Price Waterhouse & Co. based on a detailed analysis of the sales journals and other records of the seven Chevrolet dealers which were responsible for 96% of the sales through discounts houses (R. 234, 876-1227).^{*} Two of the dealers studied were Bruder and West Adams. Using appellant's gross profit per car comparison, it would appear that ordinary retail customers buying from Bruder paid an average of \$37 less markup per car than such a customer buying from West Adams (GX 223, 285, unprinted). In fact, Price Waterhouse found just the opposite to be true, as shown by the arithmetic mean averages in GX 212 (R. 958, 1226). Bruder sold to its ordinary retail customers at an average of \$13 more markup per car than did West Adams — a variance of \$50 per car.

Again, using appellant's gross profit per car comparison, it would appear that ordinary retail customers buying from Biggs paid an average of \$68 per car more than such customers buying from Courtesy (GX 219, 234, unprinted). Yet Price Waterhouse proved in the same manner that ordinary retail customers buying from Biggs paid only an average of \$11 more than such customers buying from Courtesy — a variance of \$57 per car (R. 918, 1135).

^{*} The "mark-ups" used in the Price Waterhouse study were mark-ups over "dealer invoice" (R. 876-1227). "Dealer invoice" was used because it is the only constant base for determining how the *customer* fared. The gross profits figures calculated from the dealer financial statements show how the *dealer* fared because they are based on the dealer's ultimate costs for his cars after reflecting various incentive bonuses and allowances later credited to him (R. 99, 248).

Both of these variances are greater than the claimed difference of \$35 between the average gross profits per car of the Orange County dealers and those located in the City of Los Angeles. When the Price Waterhouse witness was asked whether this type of variation could be as much as \$100, he testified: "It could be any amount. Any reasonable amount." (R. 252)

The use of average gross profits per car as calculated from the dealers' financial statements to measure prices to ordinary retail customers is misleading for a variety of reasons. One is that gross profit figures in the financial statements include "special circumstance sales"* such as sales of fleets to commercial users. The Price Waterhouse analysis showed that among the seven dealers studied this type of sale varied from 10% to 40% of the total dealer volume (R. 251). Since this type of sale is usually made at lower prices than sales to ordinary retail customers, using a comparison based on average gross profits per car would make it appear that in all instances the dealers with few fleet sales charge their ordinary retail customers higher prices than dealers with

* "Special circumstance sales" are those to a "buyer whose status, position or purchasing power at the time gave that buyer a purchasing advantage . . . which ordinary retail customers did not have." (R. 235) They include sales of fleets of Chevrolets to the state, counties, municipalities, car leasing corporations, car rental corporations, industrial corporations and other users of "fleets" of cars.

a great number of fleet sales.* The magnitude of this fluctuation is persuasive evidence that the proportion of "special circumstance sales" varies so significantly from dealer to dealer that no meaningful conclusions can be drawn from any average gross profit per car analysis.

Another difficulty is that the gross profit figures include special dealer incentive bonuses and allowances. The Price Waterhouse witness testified, "Now, if a customer purchased a Corvair on April 30 and paid, just to take a rough figure, \$2,600, and another customer purchased the same car the next day and paid the same amount, each customer would have made the same deal. But because of an incentive plan that came into being on May 1 the dealer made a different gross profit on those sales." (R. 248) Thus, if one dealer sold a proportionately greater number of Corvairs during the incentive period than did another, the first dealer's average gross profit per car would indicate that customers who bought from him fared less well than customers who bought from the second dealer, while in fact the prices paid by both groups of customers might have been identical.

Another example of this same problem is indicated by the testimony of Warren Biggs that the factory pays each dealer 5% of the factory list price on all hold-over

* The general magnitude of this type of variation can be illustrated from the seven dealers whose sales were studied by Price Waterhouse & Co. Using the average gross profit approach, West Adams appears to be \$59 per car higher than Courtesy (GX 234, 285, unprinted). However, what their financial statements do not reveal is that 83% of West Adams' non-discount house sales were to ordinary retail customers whereas only 55% of Courtesy's non-discount house sales were to ordinary retail customers (R. 1135, 1226).

models (R. 99). Thus, if one dealer sells few hold-over models and another sells many, all at identical prices, the customers will have fared equally well but the average gross profit per car comparison, used as a basis for comparing prices, would make it appear that the dealer receiving the larger hold-over allowance sold for less.

In short, comparisons of average gross profits per car are meaningless for the purpose of determining whether the location clause suppressed price competition.

(b) The arrangements between dealers and discount houses suppressed rather than promoted price competition.

Rather than promoting price competition, arrangements between dealers and discount houses in many instances inhibited both interbrand and intrabrand competition. Dealers Diversified Services Inc. operating at the Fedco Stores, the largest discount house automobile business in the area, had a "one-price policy" (R. 183-184). Under uniform written agreements, the two Chevrolet dealers doing business with Dealers Diversified Services Inc. were obligated to sell customers referred by the discount house at the same specified price over dealer's invoice cost (Fdg. 32, R. 1390; R. 183-186). *Cf. Simpson v. Union Oil Co.* 377 U.S. 13. Identical forms of contract were used by Dealers Diversified Services Inc. in referring customers to Ford, Plymouth and Rambler dealers (R. 183, 1293-1294).

The adverse effect of these arrangements upon price competition is shown by the fact that in 1960 there were only four Chevrolets sold through Dealers Diversified

Services Inc. at the Fedco Stores at \$165 or less* over dealer's invoice cost — not even 1% of the 594 sales through D.D.S.I. — whereas 18.7% of the 1243 direct sales to ordinary customers made by the dealers concerned were at \$165 or less over dealers' invoice cost (R. 876-1227).

Fleet Sales Co. (the second largest discount house automobile operation in the area) also had a "one-price" arrangement with each of the three Chevrolet dealers with which it did business. These dealers were obligated to quote the "pre-arranged prices" on a "take it or leave it" basis and could not negotiate lower prices with the referred customers even though the failure to do so might result in the loss of the sale (R. 187-189).

It is significant that 60% of all of the Chevrolets sold through what appellant calls "an alternative method of merchandising" (Br. 24) were sold through these two discount houses operating under "one-price" plans with dealers (R. 876-1227).

(c) **There is no lack of price competition available for Orange County customers.**

Orange County is not a fenced-off portion of the Los Angeles Metropolitan Area as appellant's argument implies.** Driving by automobile, it is difficult to know

* The figure \$165 is used here because appellant used it in its Jurisdictional Statement (J.S. 3).

** Discount houses were not concentrated in Orange County. Of the discount house outlets involved in this case, 18 were located in Los Angeles County and 5 in Orange County. Of the 15 dealers shown on GM Exhibit A who complained to General Motors in Detroit about discount house selling, 9 were located in Los Angeles County — Barnett, Drew-Jones, Erskine, Gledhill, Harbor, Keown, Ostrom, S & J and Seaboard (R. 1232-1239).

when the jagged line between Orange County and Los Angeles County has been crossed. The Los Angeles Metropolitan Area is what its name implies — a single great urbanized and industrialized area. Dealers' television, radio and newspaper advertising reaches potential customers throughout the Metropolitan Area (R. 48-49).

It is common knowledge that automobiles are the principal means of public transportation in the Los Angeles Metropolitan Area. With the highly developed system of freeways interconnecting every part of this area, to drive 15 miles is no distance at all. We have already pointed out the distortions inherent in the use of dealers' gross profits per car figures as a means of attempting to determine comparative prices to ordinary retail customers. But even if such a method as appellant suggests is used, within a 15 mile radius of 8 of the 10 Chevrolet dealers in Orange County in 1960, there was an average of 6 Chevrolet dealers each with an average gross profit per car at or below \$280, the City of Los Angeles average as calculated by appellant. (GX 210, 211, 213-286, unprinted.) If these figures were the key to prices to ordinary customers (which they are not), the price conscious Orange County resident would not be lacking an opportunity to shop both in and near Orange County.

Moreover, many Orange County residents work in Los Angeles County or live conveniently close to it and they would have multiple opportunities to shop at many of the 85 Chevrolet dealers located in the metropolitan

area.* The uncontradicted evidence is that the seven dealers who sold through discount houses sold Chevrolets directly to customers at about the same price that they sold through discount houses (R. 1334). Using the Santa Ana Freeway, the Orange County resident more interested in the lowest obtainable price than in neighborhood convenience could easily trade with these dealers or with many others in Los Angeles County. In most instances, customers purchasing through discount house outlets were required to travel to one of the seven dealers using such outlets.

While appellant apparently sees advantage in the fact that discount houses made all makes of cars available "without need for 'bargaining' . . . at stated low prices" (Br. 24), the record shows that the discount house customer would have benefited from the bargaining that typically takes place with a Chevrolet dealer. Discount houses charged the customer whatever he would pay. An examination of GX 212 (R. 877-1227), the basis of the Price Waterhouse & Co. price study, shows that numerous sales through discount houses were made at a mark-up of more than \$300 over dealer invoice — some

* The 1960 United States Census shows that approximately 25% of the employed residents of Orange County worked in Los Angeles County. The 1960 Census also shows that the vast majority of all Orange County residents lived in the western part of the county which is adjacent to Los Angeles County. (U. S. Bureau of the Census, *U. S. Census of Population and Housing: 1960.*)

more than \$400 over dealer invoice.* At discount houses where price fixing schemes were theoretically in operation, the prices did not stay fixed and the customers were charged higher prices.**

The realities of purchasing through discount houses as disclosed by the evidence bear little relationship to the glowing description of such purchasing in appellant's brief.***

A customer dissatisfied with the prices or other competitive efforts of the dealers in his neighborhood will shop and buy in areas beyond. His opportunity to do so is guaranteed by the Chevrolet franchise plan, since all dealers are free to sell to anyone anywhere at any price. There is vigorous price competition in the Los Angeles Metropolitan Area, including Orange County, without the necessity of knocking out the keystone of the Chevrolet franchise system — the franchise location clause as ap-

* See, for example, the prices under the column "Mark Up" for "Type of Sale" showing sales through discount houses at \$407, \$395, \$388, \$383, \$371, \$367, \$364, \$349, \$343 over dealer invoice as compared with the median mark-up of \$220 for direct sales by the seven dealers studied (R. 1016, 1109, 1057, 1059, 959, 1154, 1009, 881, 985, 1149, 1206).

** See, for example, the prices under the column "Mark Up" for Type of Sale No. 2 (sales through discount houses) for dealers Biggs, Bruder and West Adams. Some sales were for \$468, \$440, \$424, \$422, \$408, \$385, \$376, \$374, \$358, \$357, \$349, \$347, \$344 over dealer invoice (R. 912, 916, 1207, 1206, 1205, 910, 906, 920, 878, 913, 950, 1205, 881, 880, 885) as compared with the median mark-up of \$220 for direct sales by the seven dealers studied.

*** One dealer salesman who handled discount house referrals testified that under the arrangements with the discount house he was "to be very brief, very short, almost to the point of rudeness to the customer. . . . In other words, it was a gimmick type of selling. I was instructed to be exceedingly brief and overbearing in my attitude." The arrangement also was "that there be no dickering about the price" (R. 174).

plied to dealer-operated outlets and to dealers' use of discount houses as sales outlets.

3. The trial court's finding that the franchise location provision promotes competition and benefits the purchasing public is supported by uncontradicted evidence.

The trial court found,

"The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other." (Fdg. 33, R. 1390-1391)

This finding and the trial court's opinion on the same subject (R. 1369) are not challenged by appellant as being "clearly erroneous." They are supported by uncontradicted evidence.

Appellant concedes the reasonableness and lawfulness of restrictions "that on balance promote competition by enabling a company to compete effectively with other brands through an efficient and economical distribution system without unduly restricting competition among its distributors." (Br. 19) We have shown that the franchise location clause is necessary not only to the efficient distribution of the product but also to the efficient manufacture of the product (*supra*, pp. 12-16). Indeed, the Chevrolet

plan of marketing (integrated with the manufacturing operations and used to carry out the philosophy that a properly serviced car makes for satisfied customers who are repeat customers) makes for better cars at lower prices, which is the goal of competition and the measure of its vigor. As the trial court said in its opinion:

"The evidence clearly discloses that Chevrolet dealers are in vigorous competition with each other by discounting the prices in the sale of Chevrolets. They insist that a manufacturer and distributor of automobiles is not permitted to select and set up standards for the operation of his dealers upon the theory that it was an unreasonable restraint of competition which would result not only in the destruction of the competition which benefits the public but would probably eliminate the distributor system entirely.

"Without such a system it would no doubt be possible for a large manufacturer to plan its production for new cars each year which entails preparation and planning far beyond the concept of a person not familiar with the business." (R. 1369)

Appellant argues that the location clause lessens competition in the automobile manufacturing industry by decreasing the feasibility of new entries. Appellant states that the destruction of the location clause "will presage the emergence of alternative forms of automobile distribution and increase the feasibility of new entries into automobile manufacturing" (Br. 24-25). This is speculation without a shred of evidence to support it. No present or prospective manufacturer of automobiles

is required to use a franchise system of marketing and a "new entry into automobile manufacturing" is free to market his product through discount houses if he so chooses.

To achieve success in the manufacture and distribution of automobiles is a complex problem. In solving this problem, all automobile manufacturers show by their conduct that they believe that the franchise system of marketing — with the right number of dealers in the right locations — is indispensable (R. 387). Competition would be impaired, not enhanced, by knocking the keystone out of the system.

II. IN TAKING ACTION TO PREVENT DEALERS FROM USING DISCOUNT HOUSES AS ADDITIONAL OUTLETS, GENERAL MOTORS WAS ACTING INDEPENDENTLY AND NOT PARTICIPATING IN ANY PLAN OF THE DEALERS.

The argument that General Motors committed a *per se* offense by conspiring with its dealers to prevent sales through discount houses is, as we have said, all but abandoned in this Court. What remains of the argument is very narrow indeed, and is flatly contradicted by the findings and the evidence.

In its brief, appellant recognizes that a conspiracy cannot be proved merely by establishing that (1) a number of dealers discussed the problem with each other and called upon General Motors to prevent sales through discount houses (*arguendo*, a practice that General Motors was entitled to forbid its dealers to engage in) and (2) that General Motors applied the location clause to pre-

vent dealers' use of discount houses as additional outlets and thereby facilitated parallel behavior by its dealers (assuming, as appellant does in this portion of the argument, the validity of the clause) (Br. 37-39). Otherwise, as appellant points out, all vertical restrictions upon distributors would become *per se* illegal conspiracies (Br. 38).

Having made these concessions, appellant is left to argue that the dealers entered into a horizontal conspiracy and General Motors joined it. Appellant says the dealers agreed to exert pressure on General Motors to prevent sales through discount houses, and that they thereafter implemented and enforced their agreement (Br. 39-41).*

Then, making a great leap, appellant says that General Motors responded to this pressure and "participated in a single conspiracy" with the dealers (Br. 42). Whether General Motors did so is a question of fact, and on that question the findings, supported by substantial evidence, are directly to the contrary.

Consistently with its oral opinion (R. 1370-1371), the trial court found that, in taking action to prevent dealers from selling through discount houses, General Motors was not joining the dealers in some project or

* The only agreement among the dealers found by the trial court was an agreement of members of Losor Dealers Association present at a November 10, 1960 meeting "to write letters or send telegrams and attempt to have their salesmen write letters or send telegrams to General Motors asking that something be done regarding the (discount house) situation." (Fdg. 35, R. 1391) No one from General Motors attended this meeting and General Motors was not a party to the agreement.

program but was solely motivated by a desire to preserve its plan of marketing:

"The sole motivation for the announced policy and for the instructions given the General Motors personnel was the preservation of the General Motors franchise system, which the Dealer Selling Agreements were designed to effectuate. The General Motors executives in Detroit regarded the arrangements made by dealers for the sale of new General Motors automobiles through discount houses and referral services as violative of their individual Dealer Selling Agreements. Said executives adopted the policy and issued the instructions to the General Motors personnel with respect to discount house and referral service arrangements on the basis of their long experience in the marketing of automobiles and their conclusion that the practice of the use by dealers of discount house or referral service outlets did not give General Motors the retail representation it needed and would in time result in the destruction of the General Motors franchise system." (Fdg. 37, R. 1392-1393)*

In determining that General Motors' action against dealers' sales through discount houses was taken inde-

* General Motors' vice president in charge of distribution, who was responsible for the stand taken by General Motors with respect to dealers' use of discount houses as sales outlets, testified,

"We wanted our dealers to understand that we regarded such arrangements whereby they were regularly selling cars through the medium of these discount houses, in our view, that represented the establishment of another location and that, under those circumstances, we would regard it as a violation of the Dealer Selling Agreement." (R. 394)

pendently and not in collaboration with the dealers or the dealer associations, the court found that "General Motors acted independently in furtherance of its own interests in procuring the conformance of individual Chevrolet dealers to the obligations of their Dealer Selling Agreements and thereby preserving the Chevrolet franchise system" (Fdg. 45, R. 1396). It found further that:

"Such action [against dealers' sales through discount houses] was taken independently and unilaterally by General Motors with respect to each Chevrolet dealer individually, to obtain compliance by each dealer with the obligations he had undertaken in his Dealer Selling Agreement and such action was not taken by General Motors by combination, conspiracy or concert of action with Chevrolet dealers or any of them or with defendants Losor, Foothill or DSI or any of them." (Fdg. 45, R. 1396)*

The evidence in support of these findings is overwhelming. We have previously summarized the extensive

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- * That the District Judge understood exactly the question of fact he was required to decide is shown by his following comments:

"THE COURT: What I am getting at, counsel, is this, to enlighten myself, any person who has a legal right might find himself in jeopardy if a noise has been made over on the other side of the street, if he suddenly wakes up and enforces that right, the fact that people are clamoring for it is the proof. What you are saying, in effect, is that that makes him a member of the conspiracy.

* * * * *

"MR. BLECHER: It is a delicate line between —

"THE COURT: The line is delicate between joining a conspiracy and taking independent action, or action that seems parallel, but it is done on your own volition, * * *"
(Rep. Tr., June 18, 1964, p. 510, lines 12 to 18; p. 511, lines 3-6, unprinted).

testimony showing (1) the importance to General Motors of the Chevrolet plan of marketing (*supra*, pp. 12-22), and (2) the adverse effect on that plan of permitting dealers to use discount houses as additional sales outlets (*supra*, pp. 22-30, 38-39). This testimony emphatically shows that there were compelling reasons for General Motors to take steps which it regarded as essential for the preservation of its marketing plan without the need for any outside "pressure" (R. 343-345).

General Motors' vice president in charge of distribution testified that the corporation's stand was taken without consultation with any Chevrolet dealers or dealer associations (R. 365). As the executive responsible for the stand taken, he explained its basis as follows:

"Q. Why did General Motors adopt the policy that it did adopt with respect to dealers' use of discount houses?

"A. We adopted it for only one reason. We felt that it would have a very serious and detrimental effect on the operation of General Motors Corporation, and that it eventually would seriously affect the sale of Chevrolet cars and possibly other General Motors products, in the event that the practice was taken up extensively among the other lines * * * and if it did we felt this would destroy the very carefully planned and constructive system of distribution that we had worked for so many years to establish, and in which we had such a very substantial investment of time, effort and money, to bring our operation to the degree of success that we enjoy today." (R. 371-372)

In arguing that the finding that General Motors acted "unilaterally and independently" is erroneous as a matter of law (Br. 42), appellant relies upon *Interstate Circuit, Inc. v. United States*, 306 U.S. 208. The critical difference between this case and *Interstate Circuit* is that the action taken there by a group of motion picture distributors in response to the request from an exhibitor chain was so unusual in character and so unexplained as to rule out the possibility that it was taken independently. In *Interstate*, the exhibitor chain playing first run pictures contemplated and invited common action among the distributors by addressing a joint letter to them in effect demanding that they license their subsequent runs to other exhibitors in a manner which "involved a radical departure from the previous business practices." The distributors carried into effect these unusual demands with "singular unanimity of action" and they failed to call as witnesses any of the officials who were in a position to know of the existence or non-existence of the alleged conspiracy (306 U.S. 221-223). The trial court found that the distributors had agreed and conspired among themselves and this Court affirmed, holding

"It taxes credulity to believe that the several distributors would, in the circumstances, have accepted and put into operation with substantial unanimity such far-reaching changes in their business methods without some understanding that all were to join, and we reject as beyond the range of probability that it was the result of mere chance." (306 U.S. at 223)

In affirming, this Court held further that even absent agreement of the distributors among themselves, a finding

of conspiracy was justified because "in the circumstances of this case" (as shown by the above described evidence) "knowing that concerted action was contemplated and invited, the distributors gave their adherence to the scheme and participated in it" (306 U.S. at 226).

In this case, the circumstances are altogether different. Here, the dealers asked General Motors alone to do something which it had a right to do — enforce the location clause of the franchise agreement. The action taken by General Motors was not a radical departure but was entirely consistent with its desire to preserve its franchise plan which had been developed over a forty year period. The responsible General Motors officials all testified at length to facts showing that the action was taken independently by General Motors for its own persuasive reasons of business policy. The trial court's finding that General Motors acted independently was not speculation; it was what substantial and uncontradicted evidence showed. The District Judge heard witnesses who are probably as well informed as anyone in the automobile industry testify on this precise point and he believed them.

Appellant cites *United States v. Parke, Davis & Co.*, 362 U.S. 29 (Br. 41-42), but that analogy is "misleading" and "deceptive" here, just as it was in *White Motor Co. v. United States*, 372 U.S. 253, 266, 268 (concurring opinion). The fundamental difference is that the individual vertical agreements spelled out by the Court in *Parke, Davis* were illegal *per se* because they involved resale price maintenance in the absence of the statutory exception (362 U.S. 45-47). As a result, the "under-

standings" between manufacturer, wholesalers, and retailers in *Parke, Davis* created a combination to achieve an unlawful purpose — the enforcement of the underlying illegal vertical price-fixing agreements.

In contrast, here General Motors was seeking to persuade Chevrolet dealers to comply with the location clause which appellant, in its conspiracy argument, assumes, *arguendo*, was valid (Br. 37). Moreover, as the District Court found, General Motors was acting independently. If General Motors cannot enforce a lawful key clause of the Dealer Selling Agreements because it receives complaints which its dealers have agreed to make, then such dealers would have the power to nullify that clause of the agreements. Neither *Parke, Davis* nor any other precedent requires or supports such a result.

Whether there was joint action or independent action is a question of fact. *Theatre Enterprises v. Paramount*, 346 U.S. 537, 542. Here, the trial judge has decided that issue on the basis of substantial evidence. Appellant's assertion, contrary to the trial court's findings and unsupported by evidence, that General Motors "participated" in what appellant calls the dealers' "collusive effort" (Br. 41-42) does not make it so. It is an attempt to have this court try *de novo* an issue of fact which has been tried and as to which the trial court's findings are not "clearly erroneous." In *United States v. Real Estate Boards*, 339 U.S. 485, 495-496, this Court said,

“It is not enough that we might give the facts another construction, resolve the ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent. See *United States v. Yellow Cab Co.*, 338 U.S. 338, 342; *United States v. Gypsum Co.*, 333 U.S. 364, 394-395. We are not given those choices, because our mandate is not to set aside findings of fact ‘unless clearly erroneous.’ ”

CONCLUSION

For the foregoing reasons, the judgment of the District Court should be affirmed.

Respectfully submitted,

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1965

No. 46

UNITED STATES OF AMERICA,

Appellant,

vs.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.;
AND FOOTHILL CHEVROLET DEALERS ASSOCIATION,

Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

**BRIEF FOR APPELLEES, LOSOR CHEVROLET
DEALERS ASSOCIATION, DEALERS' SERVICE,
INC., and FOOTHILL CHEVROLET DEALERS
ASSOCIATION**

INTRODUCTION

This brief is on behalf of the appellees Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Dealers Association (hereinafter respectively, "Losor", "DSI" and "Foothill" or the "dealer associations").

Said appellees adopt the brief of appellee, General Motors Corporation, supplemented, however, by this brief.

The dealer associations accept the sections of appellant's brief concerning "Opinion Below," "Jurisdiction,"

and "Statute Involved," but disagree with appellant's statement concerning "Questions Presented." As will be shown subsequently, no question concerning the dealer associations was presented to this Court in either appellant's Notice of Appeal or its Jurisdictional Statement. Accordingly, under this Court's rules, no question concerning these appellees is before this Court. As will also be shown, even if appellant had presented this Court with a question concerning these appellees, the record and the law both would require affirmance of the District Court's decision that these appellees had not violated the Sherman Act.

STATEMENT

Each of the dealer associations is a non-profit California corporation. Membership in Losor consists of Chevrolet dealers in Los Angeles and Orange Counties, California; in DSI, of Chevrolet dealers in Los Angeles County, California; and in Foothill, of Chevrolet dealers in Los Angeles, Riverside and San Bernardino counties, California. (Fdgs. 4, 5 and 6, R. 1376.)

The dealer associations are independent of General Motors and are not operated, directed, controlled, or guided by General Motors. Each was formed many years ago without solicitation or encouragement by General Motors. None engages in the sale of automobiles. Each provides various services for its dealer members, among which are the maintaining of an information bureau to assist dealers in making exchanges with other dealers to obtain particular Chevrolet cars of models, colors and equipment required to fill orders from particular cus-

tomers; the providing of advertising campaigns and sales promotion activities; and the engaging in advocating the passage of legislation pertaining to motor vehicles. (Fdg. 7, R. 1376.)

No contract or agreement existed between General Motors and any of the dealer associations. (Fdg. 45 in part, R. 1396.)

Each General Motors dealer, whether of Chevrolet or other General Motors cars, is individually franchised and each dealer individually has a Dealer Selling Agreement with General Motors which is substantially identical in contractual provisions. (Fdg. 9 in part, R. 1377.) These Dealer Selling Agreements restrict the dealer from establishing branch sales offices at locations other than his approved place of business. They do not preclude the dealer from soliciting customers anywhere he may see fit or from selling to them at any price, but do preclude the dealer from using unapproved business locations from which to solicit sale of Chevrolets. (Fdg. 11, R. 1378.)

Early in the summer of 1960, some Chevrolet dealers in Southern California were selling Chevrolets pursuant to agreements or understandings with some discount houses or referral services. In every case, the sale of the car to the customer was made by the Chevrolet dealer through the discount house¹ with title passing directly from the dealer to the customer; in no case did the dealer sell to the discount house; and in no case did the discount

¹As in appellant's brief, "discount house" will be used here to mean both a discount house and a referral service through either of which a dealer was or is selling Chevrolets.

house make a resale. (Fdg. 18, R. 1384.) Each discount house operated from a business location removed from the authorized location of the Chevrolet dealer involved and most were merchandising locations for wares of many sorts. The practice of selling Chevrolet automobiles through discount houses engaged in by some Chevrolet dealers has the same effect as direct establishment by such dealers of branch sales offices without approval of Chevrolet (Fdg. 20, R. 1385.)

Beginning in the summer of 1960, appellee Losor,² through some of its dealer-members, complained to the Chevrolet Los Angeles Zone Office about the sale by some dealers through discount houses. At a meeting of Losor on November 10, 1960, the Chevrolet dealers then present agreed to write letters or send telegrams to General Motors asking that something be done regarding the situation.³ Some such letters and telegrams were sent by members of Losor and their salesmen by reason of encouragement by Losor, and some were sent independently on the writer's own initiative. Some members sent nothing and some letters were written by salesmen without the knowledge or consent of their em-

²Neither appellee DSI nor appellee Foothill were then involved, their first connection being December 15, 1960, when they and Losor met for the first time concerning the problem of dealers selling through discount houses. (Fdg. 40, R. 1393. See also footnote 4, Appellant's Brief p. 8.)

³There was never any agreement between the dealer associations, or any of them, and General Motors as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice. (Fdg. 43, concluding sentence, R. 1395.)

playing dealer.⁴ No form of letter was proposed by Losor and each member acted independently in composing and sending such letters and telegrams. In encouraging this to be done, Losor sought to bring the facts surrounding discount house merchandising of Chevrolets to the attention of General Motors policy-making officials. (Fdg. 35, R. 1391.)

After investigating and reviewing the developments in the use of discount houses throughout the United States on or before December 14, 1960, General Motors took a stand on discount houses. It sent a letter to every General Motors dealer in the United States expressing its opposition to arrangements by dealers with discount houses in view of the dealers' obligations under their Dealer Selling Agreements. Simultaneously General Motors instructed its personnel to meet individually with every such dealer to review the letter for the purpose of attempting to induce and persuade each General Motors dealer to refrain from entering into arrangements

⁴In its brief, appellant baldly asserts that Losor "was motivated by fear of price competition." No such finding was made and the record does not support the assertion as an established fact. The trial court found: "In some instances, some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams about the 'cut rate' or 'discount price' offered on sales by dealers through discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the prices at which Chevrolet automobiles were sold since any dealer could sell at any price he desired to any customer anywhere." (Fdg. 1, 38, R. 1393.) As expressed in the latter part of Finding 35 (R. 1391), "In encouraging dealer-members and their salesmen to cause letters and telegrams to be sent to officials of General Motors Corporation, Losor sought to bring the facts surrounding the discount house and referral service merchandising of Chevrolet automobiles to the attention of policy-making officials of General Motors in Detroit."

for the sale of new General Motors cars through discount houses in violation of the Dealer Selling Agreements. (Fdg. 36, R. 1391-1392.) In carrying out these instructions, Chevrolet personnel met with every Los Angeles area Chevrolet dealer individually and endeavored to induce and persuade each dealer to refrain from the practice of selling through discount houses.

After General Motors had decided upon its stand, but before notice of this decision had been given to any of its dealers, representatives of Losor, DSI and Foothill met on December 15, 1960, for the first time regarding the practice of sales through discount houses. A committee was formed to investigate and to report back later. Consideration was also given to advocating legislation which would regulate selling through discount houses and referral services. (Fdg. 40, R. 1393.)

Early in 1961, the three dealer associations authorized investigation to determine the extent to which Chevrolet dealers in Southern California were still selling Chevrolets through discount houses. One purpose of this investigation was to secure information about whether sales through discount houses complied with the California Motor Vehicle Code so as to submit the information to the California Legislature in support of a pending bill. Thereupon a representative of the three dealer associations appeared before and submitted to an Assembly Committee of the California Legislature a proposed amendment to a bill then before the Legislature which would, among other things, regulate the sale of automobiles through discount houses. The proposed amend-

ment was accepted and became a part of the bill adopted by the Assembly of the California Legislature. [R. 218-221, inc.]

A second purpose of the investigation was to gather facts about discount house selling to present to General Motors in line with the earlier complaints which had been made. Shoppers were used in connection with this investigation. (Fdg. 41, R. 1394-1395.) Between late February and early May 1961, the dealer associations purchased seven Chevrolets through discount houses (thus showing the practice was still continuing although not necessarily with knowledge of the particular dealer). The facts thereof were given to the Los Angeles Chevrolet Zone Manager. Zone office personnel, acting without any agreement or prearrangement, thereafter informed the particular dealer of the sale. In each instance, the dealer repurchased the car. (Fdg. 42, R. 1394.)

In attempting to persuade General Motors to take some action to bring about a termination of the practice of some dealers in selling through discount houses and in bringing to General Motors' attention the information obtained in 1961, the three dealer associations were acting in furtherance of the interests of their dealer members who were parties to Dealer Selling Agreements which, as all dealers had been informed by General Motors, obligated all Chevrolet dealers to refrain from selling through discount houses. The associations did not act in combination, conspiracy or concert of action with General Motors. There was no agreement between them and General Motors as to what or whether any action would

be taken by General Motors in the matter. (Fdg. 43, R. 1394-1395.)

There was also no agreement between the three dealer associations or any of them and any of their dealer-members that any dealer member should refrain from selling through discount houses. The dealer associations at no time imposed any sanctions or withdrew any association privileges from any member engaged in that practice. The members engaging in selling through discount houses, continued to receive all the benefits of association membership without restriction or discrimination. Some dealers, supplying the greatest volume of sales through discount houses, were elected officers and directors of the dealer associations during such period of time. (Fdg. 44, R. 1395.)

ARGUMENT

INTRODUCTION

Appellant divides its argument into two parts.

First, appellant argues that the clause of the Dealer Selling Agreement of each Chevrolet dealer with the Chevrolet Division of General Motors which obligated the dealer not to establish or have a second business location without approval of Chevrolet violates section 1 of the Sherman Act. Appellant apparently concedes that the obligation is a "vertical" restraint but contends that such a "vertical" restraint here is violative of the Sherman Act, section 1. That is a matter which is fully considered and argued in the brief of General Motors. Although the dealer associations submit that such "vertical" restraint

is not violative of the law, the question does not involve them.

Second, appellant assumes correctly that the obligation of a dealer (attacked in appellant's first point) is valid and not violative of the Sherman Act. Nevertheless appellant argues, contrary to the trial court's findings, that the record as a matter of law shows a horizontal conspiracy among all *the individual Chevrolet dealers* (joined by General Motors) to prevent sales through discount houses in violation of the Sherman Act. The question raised by this point and stated in appellant's Notice of Appeal and Jurisdictional Statement also does not involve appellee dealer associations. Moreover, assuming *arguendo* that the question does concern the dealer associations, appellant has failed to make out any violation of law.

I. APPELLANT HAS RAISED NO QUESTION WHICH RELATES TO THE DEALER ASSOCIATIONS.

Both appellant's Notice of Appeal and Jurisdictional Statement stated that the sole question presented by this appeal is —

“Whether an arrangement between General Motors and all its franchised Chevrolet dealers in the Southern California area whereby the latter undertook not to sell new automobiles through discount houses or referral agencies violated Section 1 of the Sherman Act.”
(Emphasis added.)

No other question was stated to exist or to be presented by this appeal.⁵

The dealer associations nowhere are mentioned or concerned in the stated question. None of the dealer associations engages in the sale of any automobiles. None is a franchised dealer. And the trial court found:

"43. . . . They [appellee dealer associations] did not act in combination, conspiracy, or concert with General Motors. There was no agreement *between the defendant dealer associations, or any of them, and General Motors* as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services. (Emphasis added.)

"44. There was no express or implied agreement *between defendant associations or between any of them and any of their dealer members* that any of said dealer members should refrain from selling through discount houses or referral services. . . ." (Emphasis added.) (Edgs. 43 and 44, R. 1395.)

⁵On page 19 of its brief, appellant states:

"General Motors entered into agreements with each of its Los Angeles area [franchised Chevrolet] dealers forbidding the dealers to sell through discount houses. In the court below, General Motors argues that such a prohibition is implicit in the provision of its standard franchise agreement by which every Chevrolet dealer agrees not to establish a branch location without the approval of General Motors. The basic question in this case is whether the agreement prohibiting dealers from selling through discount houses violates Section 1 of the Sherman Act because it restrains trade unreasonably. The court below held it reasonable and lawful." (Bracketed words added.)

The single question, contained in both appellant's Notice of Appeal and appellant's Jurisdictional Statement, contains nothing regarding the dealer associations and the foregoing findings are not, and cannot be, questioned by appellant.

As to a notice of appeal, Rule 10(2) of the Revised Rules of this Court expressly provides:

"2. The notice of appeal shall be in three parts: . . .
(c) It shall set forth the questions presented by the appeal, expressed in the terms and circumstances of the case but without unnecessary detail . . . The statement of a question presented will be deemed to include every subsidiary question fairly comprised therein. *Only the questions set forth in the notice of appeal or fairly comprised therein will be considered by the court. . .*" (Emphasis added.)

Regarding the jurisdictional statement, Rule 15(1)(c)(1), Revised Rules of this Court, expressly provides:

"1. The jurisdictional statement required by paragraph 2 of Rule 13 shall contain in the order here indicated —

"(c)(1) The questions presented by the appeal, expressed in the language and circumstances of the case but without unnecessary detail. . . The statement of a question presented will be deemed to include every subsidiary question fairly comprised therein. *Only the questions set forth in the jurisdictional statement or fairly comprised therein will be considered by the court.*" (Emphasis added.)

If the Revised Rules of this Court are to be meaningful, appellant must be restricted to the question set forth in its Notice of Appeal and Jurisdictional Statement. Only the question set forth "or fairly comprised therein will be considered by the court." (Rule 10(2)(c); Rule 15(1)(c)(1).) It ought to be unnecessary to say that the Rule provisions apply to appeals by the Government as well as to those by other litigants. (*United States v. Yellow Cab Co.*, 338 U.S. 338, 341-342, so holding as to Rule 52. Federal Rules of Civil Procedure.)

Even if it were conceded *arguendo* that appellant is entitled to raise new questions for the first time in its brief, nothing in appellant's attack (in the first section of its brief) upon the Chevrolet location clause as an unlawful vertical restraint remotely concerns the dealer associations. This attack necessarily leaves out the dealer associations because the location clause exists solely in contracts between General Motors and all Chevrolet dealers.

II. THE DEALER ASSOCIATIONS DID NOT CONSPIRE IN VIOLATION OF SECTION I OF THE SHERMAN ACT.

In this section of this brief, we assume *arguendo* that the appellant is not bound by the question it framed for this appeal, so that it may legitimately argue that the dealer associations are involved in the appeal. As just demonstrated, even this assumption plainly leaves the dealer associations out with respect to appellant's attack upon the vertical agreements between General Motors and each of its Chevrolet dealers. The dealer associations

would also seem to be beyond the scope of the second part of appellant's attack, which is aimed at a supposed horizontal conspiracy, under this assumption. The horizontal conspiracy about which appellant talks was one among dealers, not among dealer associations. The purpose of this section is to show, however, that even if appellant further changes its stance and argues that the associations were involved in the supposed horizontal conspiracy, appellant is without support in the law or the record.

Appellant states that the second part of its brief proceeds on the assumptions (1) "that the agreements with each dealer barring sales by the dealer through discount houses do not unreasonably restrain trade"; and (2) "that a conspiracy in the circumstances of this case cannot be proved merely by establishing that a number of dealers called upon General Motors to prevent sales through discount outlets — by hypothesis in this part of our brief, a practice that General Motors was entitled to forbid its dealers to engage in" or by showing "that General Motors, by enforcing a restriction imposed by the franchise agreement (as General Motors interprets it) upon that practice, facilitated parallel behavior (*i.e.*, refusing to sell through discount houses) on the part of its dealers." As to the two alternatives of its second assumption, appellant correctly observes, "Both of these approaches would represent, in our opinion, an unwarranted extension of antitrust conspiracy doctrine, because the result of applying their logic would be to deem all vertical restrictions upon distributors *per se* illegal conspiracies."

Nonetheless, appellant argues that dealers would violate Section 1 of the Sherman Act by seeking to bring to the attention of General Motors the sales through discount houses by other dealers so that General Motors could take action, if it saw fit, to persuade the errant dealers to conduct their dealerships in accordance with their obligations under the Dealer Selling Agreements.

Appellant says it does "not dispute the right of individual dealers in the Los Angeles area to urge General Motors to exercise whatever rights it might have to prevent sales through discount houses, or their right to discuss the problem with each other." (Br. 39.) Appellant says, however, that the dealers "went much further" and "agreed . . . to exert pressure upon General Motors to prevent such selling" and erroneously asserts that their motive or agreement was "directed at limiting price competition" (Br. 39, 40.)

In the first place, there was no such agreement as asserted by appellant between all franchised Chevrolet dealers. It was at a meeting of Losor on November 10, 1960, where the dealer-members then present agreed to write or telegraph General Motors concerning the discount house situation. No form was suggested. Each letter or telegram was composed individually by the particular writer. Some were by dealers and some were by salesmen. (R. 40-41.) There was no discussion "concerning what the content" would be. "That was left to each individual dealer. We left it to each individual dealer to express his own opinions." (R. 47.) As early as June 1960, certain dealer-members of Losor were of

the opinion that sales through discount houses were a violation of the Dealer Selling Agreement and were undertaking to submit proof that such selling was taking place through such unauthorized location. (R. 56.) (See also R. 190-191.) Neither DSI nor Foothill was involved. In encouraging its dealer-members to write or telegraph, "Losor sought to bring the facts surrounding the discount house and referral service merchandising of Chevrolet automobiles to the attention of policy-making officials of General Motors in Detroit." (Fdg. 35, R. 1391.)

Second, appellant's logic is extraordinarily obscure. If, as appellant necessarily concedes, the dealers would not violate the Sherman Act by individually pressuring General Motors to exercise its rights or by discussing the problem with each other, how does their taking the one further step of some of them agreeing to complain become so anti-competitive as to violate the Sherman Act? We submit that there is no authority in the record, in logic or in the authorities for such a conclusion.

Appellant's further assertion that these dealers were motivated at "limiting price competition" is incorrect. The undisputed evidence shows that each dealer, at all times, has been and remains completely unrestricted and may sell a car to whomsoever he sees fit for any price he decides upon. (R. 330-331; Fdgs. 10, R. 1378) Indeed, appellant admits that the asserted "agreement was not in form one to fix prices." (Br. 41.) And, as found by the trial court, that which was done by dealers as well as that done by appellee dealer associations was done to bring to the attention of General Motors policy-making

officials the fact that some dealers were engaging in selling through discount houses—so that General Motors could determine whether and what, if anything, it should do about the situation.

Appellant argues that the activities of the dealers constituted a "boycott" of discount houses. There is no evidence that any dealer agreed with any other dealer or dealers not to sell a new Chevrolet through any discount house. There is no evidence that any of the dealer associations had or made any agreement with any dealer (whether a member or not) that the dealer was not to sell through any discount house. No sanctions, penalties or discriminations were imposed upon any dealer who sold through any discount house. Whether any dealer would or would not sell through a discount house was a matter between General Motors and that dealer under the Dealer Selling Agreement.

Apparently, it is appellant's position that any activity by dealers or by the dealer associations, to bring to General Motors' attention sales by franchised dealers through discount houses in violation of the Dealer Selling Agreement, even though the objective be the enforcement of a lawful vertical restraint, violates section 1 of the Sherman Act. The cases appellant cites for this proposition, however, do not support it because they involved obvious horizontal arrangements:

1. *Eastern States Retail Lumber Dealers' Assn. v. United States*, 234 U.S. 600, involved a plain *horizontal* arrangement between retailers to place wholesalers (who sold to a retailer's customer) on a blacklist which

was circulated among the retailers so that the latter thereafter would withhold patronage from the black-listed wholesaler. That is nowhere remotely akin to what is here presented by the evidence and found by the trial court.

2. *Fashion Originators' Guild v. Federal Trade Commission*, 312 U.S. 457, involved a *horizontal* arrangement by Guild members and others to boycott retailers and manufacturers who declined to comply with the Guild's program to "accomplish its unlawful object", narrowing the outlets to which garment and textile manufacturers could sell and the sources from which retailers could buy.

3. *Klor's Inc. v. Broadway-Hale Stores, Inc.*, 359 U.S. 207, involved a *horizontal* arrangement not to sell to Klor's although the latter was as well equipped as Broadway to handle the appliances of the brands of General Electric, RCA, Admiral, Zenith, Emerson and the like.

4. *United States v. Socony-Vacuum Oil Company*, 310 U.S. 148, involved a *horizontal* arrangement by defendant major oil companies and certain independent refiners for a program of purchasing gasoline in excess of amounts which defendants would have purchased but for those programs, all for the purpose of price fixing.

5. *Interstate Circuit, Inc. v. United States*, 306 U.S. 208, involved a *horizontal* arrangement of distributors of Class "A" motion picture films, between themselves,

and with "first run" exhibitors, requiring "second run" exhibitors to charge not less than a certain admission price in subsequent showings of Class "A" pictures and not to show the same with any other picture (i.e. not to "double bill").

The only other case cited—*United States v. Parke, Davis & Co.*, 362 U.S. 29—involved a situation where defendant, who sold both to retailers and to wholesalers, announced a resale maintenance policy for its products. Its representatives were instructed to and did inform wholesalers that it would refuse to deal with wholesalers who sold to retailers not observing the price policy. Its representatives also informed retailers, some of whom refused to comply to the price policy. Defendant refused to sell to non-complying retailers and directed the wholesalers not to sell to non-compliers. The result was a combination to adhere to prices as established by defendant, an agreement regarding the price at which the defendant's products were to be sold.

In the present case, the location provision of the Dealer Selling Agreement is lawful. The evidence shows and the trial court found that the restriction is reasonable and operates to promote, not to defeat, competition. Obviously, there is no "price fixing" involved. Each Chevrolet dealer is expected to and does engage in fierce competition with other Chevrolet dealers and with dealers of other makes of automobiles. Each Chevrolet dealer may sell at any price and to anyone he chooses. He has no territorial exclusivity and no territorial security. The location restriction contained in the Dealer Selling Agree-

ment is reasonable and indeed essential for General Motors to compete with others (see Fdgs. 10-32, incl.; R. 1377-1390) and promotes rather than impairs competition and benefits the purchasing public. (Fdg. 33, R. 1390-1391.)⁶ The "rule of reason" is fully applicable and properly was applied in this cause. (*Standard Oil Co. of New Jersey v. United States*, 221 U.S. 1; *Chicago Board of Trade v. United States*, 246 U.S. 231; *White Motor Co. v. United States*, 372 U.S. 253.)

As so aptly stated by the trial court in rendering its oral opinion (R. 1370-1371):

"Since General Motors was legally entitled to enforce its contracts, the mere urging of some of its dealers for assistance would not seem to change an independent action by General Motors into a combination or conspiracy.

". . . To hold that a conspiracy arises, where a person is urged by other persons to exercise his legal rights, and he does so, would preclude communication between business organizations. In this connection the Government relies upon *United States v. Parke, Davis & Co.*, 362 U.S. 29, but that case is wholly different from this case.

⁶"33. The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other."

"The mere fact that General Motors brought about a result that was desired by some of the Chevrolet dealers is not sufficient to raise an inference of conspiracy. The circumstances in this case must be viewed in an environment of practicality and when that is done it is impossible to conclude that a conspiracy existed. There was no reason to conspire to do what legally could be done.

"Assuming that the court is correct in holding that General Motors has the legal power to enforce its dealership contracts and to preclude the use of discount houses by its dealers, it would be a useless act for the court to restrain General Motors or the Dealer Associations from conspiring, if there were in fact a conspiracy, when the court is actually deciding that General Motors has a legal right to do what it did and that the Dealer Associations had a right to urge General Motors to do what it did. A court of equity does not do a useless act.

"The court concludes that the Government has failed to produce proof to establish the allegations of its complaint and for the relief prayed for in its prayer. Judgment will be entered accordingly."

It must be remembered that the evidence and inferences therefrom are those which support rather than tend to defeat the findings and judgment. Rule 52, Rules of Civil Procedure, preclude the setting aside of findings "unless clearly erroneous". And, as held in *United States v. Yellow Cab Co.*, 338 U.S. 338, 341-342:

"It ought to be unnecessary to say that Rule 52 applies to appeals by the Government as well as to those by other litigants. There is no exception which permits it, even in an antitrust case, to come to this Court for what virtually amounts to a trial *de novo* on the record of such findings as intent, motive and design. While, of course, it would be our duty to correct clear error, even in findings of fact, the Government has failed to establish any greater grievance here than it might have in any case where the evidence would support a conclusion either way but where the trial court has decided it to weigh more heavily for the defendants. Such a choice between two permissible views of the weight of evidence is not 'clearly erroneous.' "

CONCLUSION

It respectfully is submitted that the decision of the court below in favor of appellees, Losor, DSI and Foothill, should be affirmed.

Respectfully submitted,

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Of Counsel.



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IN THE

Supreme Court of the United States DAVIS, CLERK

OCTOBER TERM, 1965

No. 46

UNITED STATES OF AMERICA,

Appellant,

v.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.;
AND FOOTHILL CHEVROLET DEALERS ASSOCIATION,
Appellees.

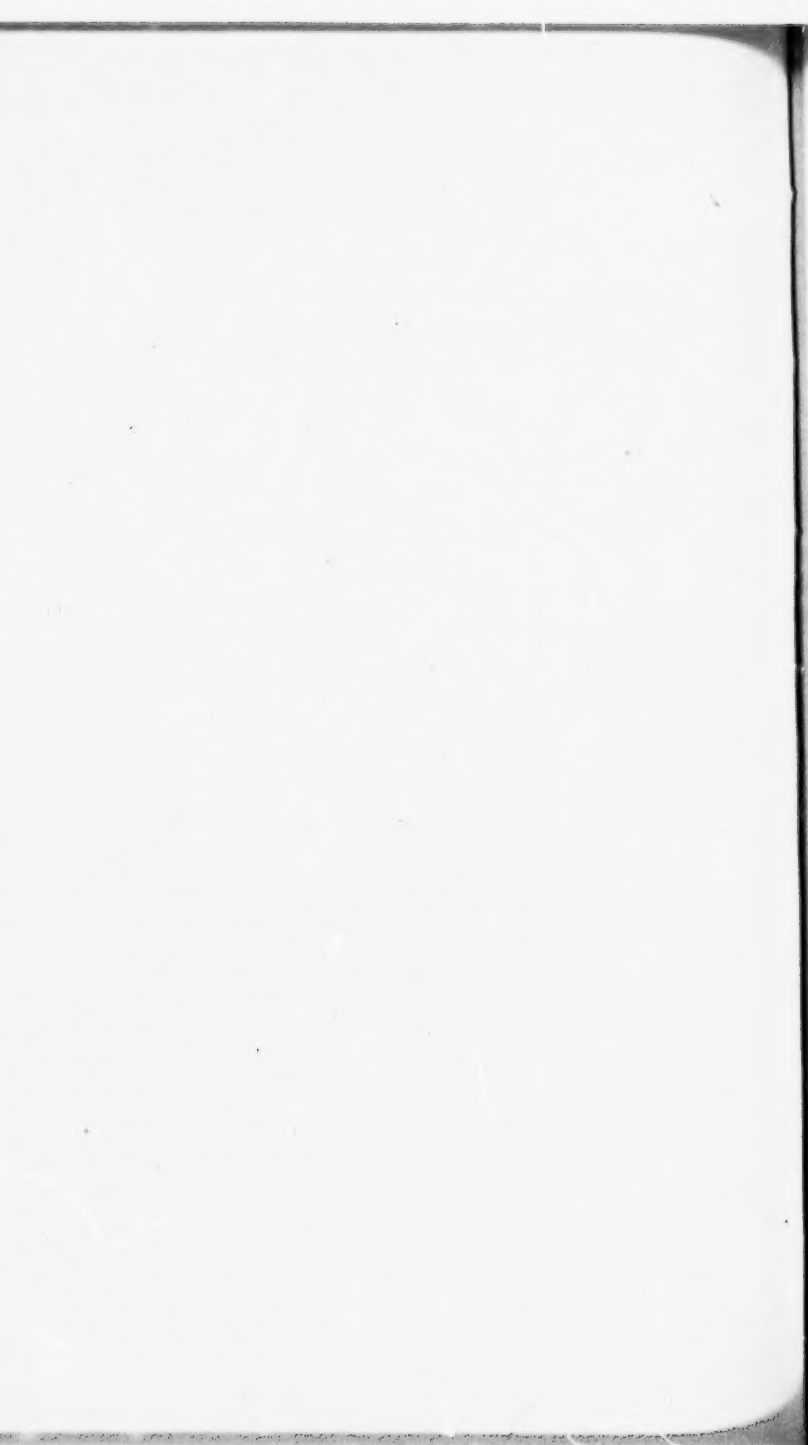
ON APPEAL FROM THE UNITED STATES DISTRICT
COURT FOR THE SOUTHERN DISTRICT OF CALI-
FORNIA, CENTRAL DIVISION

**MOTION FOR LEAVE TO FILE BRIEF AMICUS
CURIAE AND BRIEF OF THE O. M. SCOTT &
SONS COMPANY, BROYHILL FURNITURE FAC-
TORIES, CHAMPION SPARK PLUG COMPANY,
JOCKEY MENSWEAR, A DIVISION OF COOP-
ER'S, INC., PALM BEACH COMPANY, RUST-
OLEUM CORPORATION, UNION UNDERWEAR
COMPANY, INC. AND WOLVERINE SHOE &
TANNING CORPORATION, AS AMICI CURIAE**

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1965

No. 46

UNITED STATES OF AMERICA,

Appellant,

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GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.;
AND FOOTHILL CHEVROLET DEALERS ASSOCIATION,
Appellees.

**MOTION FOR LEAVE TO FILE BRIEF
AMICUS CURIAE**

The O. M. Scott & Sons Company, Broyhill Furniture Factories, Champion Spark Plug Company, Jockey Menswear, a division of Cooper's, Inc., Palm Beach Company, Rust-Oleum Corporation, Union Underwear Company, Inc. and Wolverine Shoe & Tanning Corporation hereby respectfully move the Court for leave to file a Brief *Amicus Curiae* in support of the decision of the District Court. The parties have withheld consent to the filing of such brief. Copies of this Motion and the attached Brief have been sent to the Solicitor General and to the Appellees.

The companies joining together for the purpose of submitting this Motion For Leave To File a Brief *Amicus Curiae* are each in the business of making and selling consumer goods bearing the brand name of the maker. Each company is a small to medium sized manufacturer who believes that they know best how their products should be distributed, and who are gravely concerned about the possible impact and effect of the decision of this Court; for the reason that this case presents to the Court a mandate to consider the legality of a controlled distribution pattern, the need therefor, and its functioning in the public interest.

It is acknowledged that Appellees are well-represented and are able to defend their own marketing practices before this Court. This Motion, although made *pro forma* in support of the positions asserted by Appellees, is believed necessary by the *Amici Curiae* in part because of the breadth and scope of the ruling sought by the Government, a ruling that could have decided adverse impact on the distribution practices of thousands of independent trademark owners whose business postures are wholly dissimilar to that of Appellee, General Motors Corporation.

In addition, the *Amici Curiae*, acting in their own interest, want to call to the Court's attention certain highly relevant legal issues and possible positions in respect thereto that are not urged by the parties to the litigation. These include a separate legal position in respect to the issue of "sales to" as opposed to "sales through" discount houses; a discussion of a trademark owner's necessary interest in the distribu-

tion process; and a third view of the role of the "effect on price" and its relationship to the issues herein.

Appellee General Motors Corporation itself constitutes a major segment of a unique and extraordinary industry. The economic concentration at the producer level, the near-exclusive use of franchised dealers as retail outlets and the existence of special legislation all tend to make atypical the context of the distribution problem involved herein. The movants, representing highly fragmented, non-concentrated industries, which are the more common situation in the economy as a whole, feel that they are better situated to urge the economic interests of small and medium size industries as to the basic issues before the Court.

The decision in this case may well affect distribution practices throughout commerce. The differences between other lines of commerce and the unique practices in the industry before the Court may be crucial to the determination of the issues involved herein. Therefore this Brief *Amicus Curiae* is in part a plea to the Court by responsible representatives of the affected business community for the Court to fashion a rule in this case with scrupulous care for the proper interests of all business. Movants seek an opportunity to present their views and positions solely in order to aid the Court in arriving at a decision which will be sound for business as a whole.

For these reasons and for the additional reasons set forth in the accompanying brief, movants respect-

fully request the Court's leave to file the accompanying Brief *Amicus Curiae*.

Respectfully submitted,

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IN THE
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GENERAL MOTORS CORPORATION; LOSER CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.;
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Appellees.

**BRIEF OF THE O. M. SCOTT & SONS COMPANY,
BROYHILL FURNITURE FACTORIES, CHAMPION
SPARK PLUG COMPANY, JOCKEY MENSWEAR,
A DIVISION OF COOPER'S, INC., PALM BEACH
COMPANY, RUST-OLEUM CORPORATION, UNION
UNDERWEAR COMPANY, INC. AND WOLVERINE
SHOE & TANNING CORPORATION, AS *AMICI
CURIAE***

Interest of the *Amici Curiae* and Statement

This litigation puts in issue the question of the legality of a business practice that is fundamental to the marketing and distribution patterns of a broad spectrum of businesses throughout the nation. The *amici curiae* are members of an unincorporated and informal organization named the Committee On Distribution Rights. The membership of the Committee

On Distribution Rights constitutes a small cross-section of producers of branded consumer goods who employ conditions, restrictions and limitations in respect to the distribution of their products.

Each of the *amici curiae* is a member of the Committee On Distribution Rights. Each of the *amici curiae* utilizes in variant forms, conditions and limitations in their dealings with their customers, who are wholesalers or retailers of the products of the *amici curiae*, such conditions or limitations having similar or analogous purposes and effects as the condition or restriction challenged here.

This case involves two alternative legal theories on which the liability of Appellees to antitrust charges may be justified. It is the first theory, the provision in the General Motors franchise agreement, that is of grave concern to the *amici curiae*. The provision in the General Motors franchise is to the effect that the buyers, who are franchised dealers in Chevrolet automobiles, will not open branch outlets for the sale of Chevrolet automobiles without the prior approval of General Motors. This provision operates so as to give the seller a decisive role in the determination of the number and location of dealers in his products.

This Brief *Amicus Curiae* is limited to the question of the legality under Section 1 of the Sherman Act of this and similar provisions that have the effect of permitting the seller to choose the number, identity and location of the putative resellers of their products.

The second theory offered to the Court is that of a conventional conspiracy between and among franchised dealers in Chevrolet automobiles in the Southern California market to induce one another to

refrain from using discount houses as *de facto* branch outlets for Chevrolets. It has been long established that a concerted refusal to deal is in the nature of a boycott and is to be judged by boycott standards as a *per se* antitrust offense. It is claimed by the Government that General Motors was a party to this conspiracy among and between its franchised Chevrolet dealers. The *amici curiae* have no interest in this aspect of this appeal, therefore this brief is not concerned with and does not discuss this alternative theory of dealer conspiracy.

The question of great moment to the *amici curiae* is: to what extent may trademark owners contract with their customers relating to the business activities of their customers as affecting the resale of the suppliers' trademarked products? There is another and even more serious question implicit in these proceedings as to the *amici curiae*, namely may a seller refuse to continue dealing with those customers who fail to conform to the conditions, restrictions or limitations that are required by the seller?

The only effective sanction possessed by trademark owners that may be utilized to inhibit the post-acquisition activities of the buyer is that of a subsequent refusal to deal. At the outset, it should be noted that this sanction is reciprocal and is equally potent in each instance as a negotiating weapon of the buyer.

Therefore, as the respective businesses of the *amici curiae* are in part structured upon limitations as to the distribution of their products and because the only meaningful enforcement of such limitations is the unfettered privilege of withdrawal from the rela-

tionship when it proves unsatisfactory, the substance of this appeal as it relates to these issues has a fundamental significance to the businesses of the *amici curiae*.

In addition one of the litigants before the Court—General Motors—is peculiarly unsuited to plead on behalf of small scale enterprise and the importance of preserving conditions to encourage ease of market entry. The position of General Motors as one of the world's largest corporations induces the *amici curiae* to believe that they are better situated to discuss and explain the essentiality of the contractual limitation in question, as their business situations are more normal and typical. Additionally, General Motors' freedom to terminate further business dealings with its customers has been significantly limited by the Automobile Dealers Day In Court Act, 15 USC 1221, which is itself altogether atypical and unique.

Finally, the *amici curiae* are alarmed lest the Court annunciate an overly broad rule that could be applied to unduly limit the options of a seller as to the distribution of his products, such rule being promulgated in the unfavorable context of this litigation, and without adequate and independent consideration afforded trademark owners who are in totally dissimilar commercial situations as compared to that disclosed by the record in this case.

For this reason, the *amici curiae* urge the Court to consider and determine the legality of the dealer location clause favorably as to Appellees, or in the alternative, to treat the industry before the Court as *sui generis* and limit the Court's decision specifically to the competitive realities of the automobile industry.

Summary of the Argument

1. The enforcement of General Motors' dealer location clause, in which dealers covenant to refrain from opening or doing business through branch sales offices without General Motors' approval, enforced by General Motors to inhibit sales through discount houses, does not violate Section 1 of the Sherman Act. The dealer location clause and the enforcement thereof in the facts of this case are inseparable. The legality of the clause is consistent with the operation of the Automobile Dealers' Day In Court Act.

2. The nature and marketing dynamics of a trademarked product give rise to a lawful interest in the trademark owner in respect to the entire distribution process. The interest is essential to protect the good will of the trademark owner. The restriction challenged here is a necessary ancillary restriction to the distribution of trademarked products, and the public interest is served and protected by permitting the trademark owner to channel the distribution of his products.

3. This is not a price-fixing case, whether or not the dealer location clause may properly be said to have an "effect on price". The "effect on price" issue is present here only by means of an improper inference, but, in any event, it should not be used as the legal equivalent of proscribed vertical price-fixing to reach a result of illegality in the application of the dealer location clause.

4. As recognized in the *White Motor* case, vertical covenants cannot be equated to horizontal conspiracies

between competitors for the reason that the buyer-seller relationship involves different economic considerations. Covenants ancillary to the sale and distribution of trademarked products are supported by precedent and are altogether consistent with the public interest.

5. The Automobile Dealers' Day In Court Act and the legislative history of related bills seem to sanction and approve the dealer location clause. Informed Congressional opinion appears contrary to the legal position urged by Appellant.

6. In any event, the economics of automobile marketing are such as to suggest that any restrictive rule adopted or implicit in the decision of the Court should be limited to the industry and economic specifics thereof.

ARGUMENT

I.

The contractual restriction and the Government's theory of illegality.

It makes little difference whether the contract clause attacked here is denominated a "restriction" or any other term, provided that the label employed does not obscure the reality of that which is being decided. The *amici curiae* favor the term "limitation" as a more neutral designation, one not embodying a prejudgment of illegality, as the issue involved is alto-

gether too vital to be resolved by a superficial exercise in semantics.¹

The specific contract clause in issue is as follows:

Once Dealer is established in facilities and at a location mutually satisfactory to Dealer and Chevrolet, Dealer will not move to or establish a new or different location, branch sales office, branch service station, or place of business including any used car and/or truck lot or location without the prior written approval of Chevrolet. (R. 578.)

For the purposes of this brief this clause will be referred to as the "dealer location clause". There is no ambiguity about its operation, purpose or intent. It arms the seller—General Motors—with the power to limit, and thereby control, the number and location of retail outlets for new Chevrolet Automobiles with which General Motors will do business. It does not operate in an absolute sense, as a non-customer of General Motors may purchase Chevrolets without limit from franchised dealers for the purpose of resale.

The single question of significance to the *amici curiae* in this case is the legality of the dealer location

¹ Far too often, antitrust practitioners, on both sides of the fence, bandy about slogans and shibboleths in substitution for hard, practical and dispassionate analysis. Expertise in antitrust, on both sides of the fence, should consist of more than a mastery of its dictionary of clichés and catchwords. Surely, reliance upon verbalism is most inappropriate—if not disastrous—when one deals with fundamental questions touching the structure and performance of the nation's economy." "PETRIFIED OPINIONS" AND COMPETITIVE REALITIES, Address by Philip Elman, Federal Trade Commissioner, before the First Annual Antitrust Institute, Pittsburgh, Pennsylvania, November 5, 1965.

clause as between seller and buyer. If the dealer location clause is lawful, then it must follow that the implementation and enforcement thereof between the parties by lawful means is also outside the ban of the Sherman Act. It would also seem that such lawful means may range from persuasion and admonition all the way to the actual termination by the seller of its business relationship with a non-complying buyer.

The General Motors dealer location clause is one of a large variety of limiting or restricting arrangements between seller and buyer, operating to make effective the seller's control over the number, location, economic function, or other pertinent qualifications of the buyer. For example, a contractual commitment limiting the buyer to the retail function only is commonplace, especially as to sellers who perform their own wholesaling function by selling directly to retailers. It could conceivably be argued that the General Motors dealer location clause also acts as a customer allocation arrangement, as it limits the dealer to selling to those consumers who are available to and willing to trade at the dealer's authorized place of business. Thus it is difficult to conceive of proscribing the General Motors dealer location clause without at the same time affecting a diverse number of similar and analogous agreements conventionally employed by many sellers in industries characterized by fragmented competition at the producer level and subject to variables such as impulse or seasonal buying patterns, degrees of product essentiality and ephemeral consumer preferences.

In its brief the Government seems to avoid making a direct and ultimate attack on the General Motors

dealer location clause as such. Instead the Government urges that the application of the clause to prevent sales by dealers through discount houses is (1) not an essential interpretation and application, and (2) that such interpretation and enforcement of the dealer location clause was reluctantly undertaken by General Motors solely in response to dealer complaints.

It is respectfully submitted that the Government's attempts to distinguish on the facts the limitation on sales through discount houses from the underlying issue of the legality of the dealer location clause as such are without significance. It is manifestly irrelevant whether or not General Motors was logically compelled to apply the dealer location clause to the sales in question, for the reason that the interpretation was made in fact and enforcement followed. The dealer location clause and its application on the facts of this case stand as one before this Court.

Additionally, the logic of the Government's second factual distinction is not compelling. Although relevant to the conspiracy issue, the legality of the dealer location clause as such can hardly be said to turn on the identity of the party thereto who calls for its enforcement. It is unfortunate that the challenge to the legality of the clause in question is not presented to the Court squarely, but rather is raised by indirection and implication. What is absent in the Government's argument is any discussion of the utility, function and proper scope of limitations and restrictions within a given distribution system. Without this, how can one tell which are lawful and reasonable buyer-seller covenants and which are illegal?

By means of this litigation the Government has intervened in the business of automobile distribution on behalf of a group of California discount merchants. The Government speaks glowingly of their contribution in pioneering a new method of automobile distribution. The dealer location clause of the General Motors franchise agreement, valid for more than a quarter century, is to be eliminated to ensure a continuing supply of automobiles to discount houses. Thus the Department of Justice has chosen to act as an advocate for discount stores whose collective role herein is that of prosecution witness. The Government presents for this Court's determination a choice between two restrictions: Should General Motors be "free" to limit the sales of Chevrolet automobiles from approved locations, or should they be "restrained" by injunction from following this business practice? The dichotomy of restrictions may be expressed from the point of view of the dealers: Are franchised dealers to be "restricted" by contract with General Motors as to approved business locations? Or are the dealers to be "restricted" by injunction from so contracting with General Motors?

Viewing the controversy in terms of its specifics, it compels the Court to make a choice as between franchised Chevrolet dealers and discounters. The special significance of the Automobile Dealers Day In Court Act, *supra*, has a bearing on the choice to be made. The Automobile Dealers Day In Court Act was engrafted on the corpus of antitrust law and is an explicit recognition that an automobile dealer franchise is "something of value". Past abuses made necessary a Congressional mandate to afford the dealer a measure of security in his franchise, approaching that of

a property right. It is significant that this law was enacted over the opposition of the manufacturers, including Appellee, General Motors.

Now the Court is requested by the Government to sanction a device which will inevitably tend to dilute and destroy the "something of value" aspect of the franchise relationship by the simple expedient of proliferation. Any one franchised dealer, reasons the Government, may open and maintain as many branch outlets or satellites as they choose and wherever they choose, without fear of restraint, interference or inhibition by the manufacturer. Among other things, promulgation of this rule would be in conflict with the purpose and functioning of the Automobile Dealers Day In Court Act and would be at variance with the philosophical and economic predicate of that legislation.

The parties have created a distinction in their briefs tendered to the Court on the jurisdictional issue concerning "sales to" as opposed to "sales through" discount houses. Appellee General Motors strenuously urges that the Court should not consider the legality of the clause challenged by the Government as if the clause operated to inhibit "sales to" discount houses; that the record in this case refers only to Appellee's administrative enforcement of its contractual clause in the situation where the offending dealers sold "through" a branch outlet—a discount house. In opposition, the Government urges that the legal form of the transaction is not determinative. Whether the sales that General Motors discouraged are "to" or "through" discount houses, the economic effect is to prevent discount houses from selling new Chevrolet automobiles.

The *amici curiae* urge a third position that the contractual clause limiting sales from approved locations is generally reasonable and perhaps necessary; that Appellee is entitled to enforce this aspect of the franchise relationship so as to effect the result which the Government describes as inimical to the public interest, and that the legality of the challenged clause does not and should not depend on the legal form employed, agency or sale, or on other technical niceties concerning transfer of title. *Simpson v. Union Oil Co.*, 377 U.S. 13.

In other words, the *amici curiae* urge the Court to decide the issue in favor of Appellee on the broad economic ground, namely that the producer of a trademarked item has a pervasive and proper interest in business and in law to select his own channels of distribution and to take such action (absent collusion) so as to make that selection effective.

II.

The trademark owner's interest in distribution is proper.

It is evident to most observers that the selling of goods to consumers by means of a trademark is quite different than the selling of unlabelled commodities such as wheat or cotton. The extreme view that the producer of a trademarked product has no proper interest in its distribution once it has been sold by the maker has not been generally accepted. In its brief the Government seems to avoid this extreme view by conceding that under some undefined circumstances,

restrictions on the conduct of the buyer might be lawful. However, the Government then goes on to urge that whenever the restriction or covenant being scrutinized can be said to have an effect on price, then the inquiry is over and that illegality has been demonstrated.

It is respectfully submitted that this argument is simply a disguised version of the extreme view that once title is passed, a trademark owner has no further lawful interest in the distribution of the trademarked product. The difficulty with the Government's reasoning is that any covenant—even an agreement by the buyer to pay the seller for the merchandise—is capable of being viewed as unlawful as having “an effect on price”. Thus the Government's argument “proves too much”, and is of little utility in distinguishing the lawful from that which is an unreasonable restraint of trade, *per se* or otherwise.

To be realistic about the substance of the problem of distinguishing the permissive from the proscribed within the ambit of a single vertical distribution system, it is necessary to accept the premise that a trademark owner does have some continuing interest in the marketing and distribution process that is independent of title and survives the passage thereof. A well known trademark is both the symbol and equivalent of the business itself. This is what consumer advertising is all about, surveys, sales strategy, demonstrators, promotional funds and a host of other viable tools and devices which are the very embodiment of the trademark owners interest in distribution. Marketing and production as they exist in the mid-Twentieth Century provide compelling support for the view that they are

a unitary, inter-related, inter-dependent and continuous process.

At some point in the process third parties intervene, normally independent retailers and wholesalers. Such an independent third party adopts and acquires the benefits of all that has gone before in the creation of the branded product and the consumer demand therefor, and proceeds to play his indispensable but inter-dependent role. As stated by this Court in *Old Dearborn Distributing Company v. Seagram Distillers Corp.*, 299 U.S. 143, the independent wholesaler or retailer buys only the physical product, thereby placing himself in the position to utilize for his own benefit the trademark and the good will of the trademark owner, in respect to which he has no ownership rights.

The rationale or *raison d'être* of buyer-seller covenants in the distributive process is two-fold. First, commitments are essential so that the function of each participant may be properly defined in order for the complex organization of production and distribution to function effectively. Second, to control the functioning of each participant including the independent wholesaler and retailer in such a way as to avoid injury and over-all detriment to the distribution part of the total process.

It simply will not do to attempt to fit modern commercial practices into the farmer-independent entrepreneur mold. Independent businessmen including wholesalers and retailers, should surely be permitted to preserve a maximum of independence and freedom of choice, but only up to that point where their activities tend to thwart and undermine the economic process that gives them sustenance.

The survival of most businesses has depended upon their ability to develop an adequate and properly functioning distribution system. Distribution in all its aspects is a most intricate, delicate, and complex subject; however, it is not proposed here to submit a treatise on distribution to the Court. Nevertheless, it should be noted that each finely attuned distribution mechanism was evolved on an enterprise-by-enterprise basis by innovators and risk-takers. There was and is no master plan. The development of a distribution system for a product has been a matter of trial-and-error experimentation, the object of which has been to make a success with the consumer.

In the process of devising a satisfactory distribution pattern for a consumer-pleasing product, the discipline has been that of the balance sheet. Mail order distribution filled a need in its day, it became an acceptable and even conventional method of selling and delivering goods at a profit. If either of these elements has been lacking, mail order distribution would have been a failure. These, then, are the twin pragmatics of the marketer: consumer favor, at a profit.

For the purposes of this litigation it is important to note that the development of distribution of trademark products was unattended by a large body of restrictive public regulation. The prohibitions that were imposed—and respected in the over-whelming number of cases—related almost wholly to collusive action between and among competitors. Banned were agreements to divide markets, allocate production, rig prices, and boycotts organized to deny to third parties access to the market place. The body of trade regulation law, with but one important exception, developed

altogether in the context of interbrand and intercompetitive arrangements, wherein rivals by agreement sought to adjust their differences. The exception to the above is the proscription in respect to resale price maintenance as contained in *Dr. Miles Medical Co. v. John D. Park & Sons Co.*, 220 U.S. 373 and as further defined, limited and expanded in the oft-cited line of cases down to *U. S. v. Parke, Davis & Co.*, 362 U. S. 29. Other than the judicially imposed limitation as to resale price maintenance practices, the Anti-trust laws had little application to the marketer developing a distribution system.²

The building of a consumer franchise with a novel and superior product gave the innovator—the creator—an expectancy of increased business for his “better mousetrap”. The development of the law of trademarks is in effect legal recognition of the economic value created by a successful innovator. This value is conventionally described as good-will and it has seemed obvious that this should be the property of the creator thereof.

The very existence of trademarks brings into being new considerations, especially conditions affecting distribution. With a trademark the user, no matter how remote in the flow of the economic events of purchase-and-sale, can now identify the maker. And, being able to identify the maker, the consumer is then vested with the power to reward or punish the maker with precision, by granting or withholding further patronage, by espousing the maker's product to his

² This is not to ignore the Clayton Act, 15 U.S.C. 12 et seq. However proof of a definite and adverse effect on competition has been a strictly observed condition to the operation of the original Clayton Act prohibitions.

neighbors, or by castigating the maker as the experience warrants. In this manner the operation of the supply and demand principle (for that maker's product) is affected. Another way of stating this is to say that each trademarked item creates its own separate supply and demand curve, because the trademark gives to each customer a precise and most effective "vote" as to the business future of each trademark owner.³

A trademark is used by its owner as a bid for a clientele, a consumer franchise, and whether that franchise is in robust or is in failing health is the matter of paramount concern to the trademark owner. The economics of the trademark system, the production of goods with the identifying symbol of the maker, arms the consumer with potent means for expression, and subjects the business future of the trademark owner to the whim and caprice of the consumer, as well as his indifference or even affirmative displeasure.⁴

³ Whether or not one approves of the existence of a consumer goods economy based on brand names is altogether irrelevant. As to those who feel that labelling by grade under public supervision affords the best system to assure consumer satisfaction, the current experience in Russia may provide unexpected illumination. Trademarks and the private ownership thereof seem to have emerged compulsively in an economic milieu that is otherwise hostile and seemingly totally opposed to the institutions of property, and the recognition of individual excellence that are the cornerstones of, and the essential preconditions for trademarks. It is now being demonstrated by the Communists themselves that trademarks, in all their private capital raiment, are in fact evolutionary imperatives in an economic sense—and the legal accommodation of trademarks has followed upon their emergence and use. M. I. Goldman, *Soviet Marketing*, Free Press of Glencoe, N.Y., 1960

⁴ The law has not failed to recognize and give substance to the significance of the trademark owner's "signature", and the

It has been suggested by a major antitrust spokesman for the Government that "once a producer has sold a product for a price satisfactory to himself, he loses all further right to control its subsequent use and disposition in the hands of resellers."⁵

The difficulty with this superficially appealing and guileless pronouncement of distribution policy is that just the opposite of this is true, as a matter of business pragmatics. The producer of trademarked consumer goods must possess an enduring and intense interest in the entire marketing process as it relates to his trademarked product, or else disappear from the business scene.

A concern with and involvement in the entire marketing process is a remote consumer's reliance thereon. *MacPherson v. Buick Motor Co.*, 217 N.Y. 382, 111 N.E. 382 (1916), is an early example of the imposition of responsibility on the maker for the proper functioning of the product. The Uniform Sales Act, the Uniform Commercial Code, together with other state legislative enactments have expanded this exposure of the trademark owner to the claims of those far removed in the chain of title. This is directly relevant to General Motors' requirements that its dealers provide adequate service facilities to consumers.

⁵ Address by Hon. Paul Rand Dixon, Chairman, F.T.C. to the National Electric Manufacturers Association, May 26, 1962:

It is not altogether clear whether these remarks were intended to be limited to efforts to control resale prices or were more general in intent. It is difficult to conceive that this expression of distribution economics was meant to be taken literally. Yet the constant reiteration of such views provides the impetus for the "shifting burden", discussed elsewhere herein, and this litigation is clearly an attempt by the government to vindicate this philosophy in the context of a conventional "location" clause in a contract. To paraphrase Mr. Dixon, the government position in this case is, "once General Motors has sold a Chevrolet to a franchised dealer, General Motors loses all further right or legal interest in that Chevrolet automobile. General Motors may not contract with its dealer that the Chevrolet shall be resold by the dealer only from the dealers present place of business. Each dealer must be free to open as many branch outlets as he chooses, and wherever he chooses."

keting process is not a matter of choice, it is rather an imperative. "Market your product successfully, or perish" is an all-pervasive mandate for the trademark owner. This is what national advertising is all about, in the aggregate it is simply one aspect of the trademark owners direct involvement in the marketing function, all the way to the ultimate level of the consumer.

Thus it simply does not square with the realities of business to suggest that the producer's interest ceases with the first sale; that once a producer divests himself of legal title to the product, then the subsequent commercial events are of no proper concern to him. The indisputable existence of such things as cooperative advertising, guarantees and warranties, demonstrators, push money, the fight for shelf space together with a host of similar practices involving the trademark owner in the specifics of distribution, makes it overwhelmingly clear that in reality the trademark owner is very deeply committed long after the point of the first sale. For the first sale is merely the beginning of the marketing process—the end of the process is a consumer.

The plain truth is that the marketing and distribution of a trademarked product simply cannot be left to happenstance. Any interpretation of law that looks in the direction of denying to the trademark owner a large stake and interest in his own distribution processes is in effect an attempt to nullify reality. Distribution is far too vital a matter to be left to the whims of strangers.

This litigation may well be determinative as to whether the law is to recognize and afford hospitable

scope to the rights and interests of a trademark owner in the marketing of his own product. It is highly probable that this case will decide if the law should forbid parties to contract between themselves as a single element of the distribution formula, out of a myriad of possible elements, that of the business transaction of the buyer who is party to the first sale. The whole purpose of that first sale is to enable the buyer—the franchised dealer—to resell the Chevrolet automobile. The trademark owner has amply demonstrated its business interest by the inclusion of a challenged location clause in its dealer contracts for 25 years, now as a matter of custom and convention. At this point it seems illogical to inquire if this business interest may be justified as a proper interest in the reason that the interest exists—it antedates the litigation by many years. It is rather correct to inquire: Do the interests of society now require the legal banishment of the dealer location clause? To this question the government answers yes, offering support argument and theoretical material only.

To this question appellees and *amici curiae* answer no, the interests of society do not require the negation and outlawing of this element of business interest in the location clause. Indeed, just the opposite is true as it can be demonstrated that the location clause serves a salutary purpose, is altogether meritorious and perhaps, even essential. And although this Court has not hesitated to mandate a departure from established conventions in the appropriate cases, even turning its own precedents in so doing, it is submitted that this is a uniquely inappropriate case for such a departure. This is altogether a problem of statutory interpretation, with the government urging a

construction and extension of the Sherman Act to forbid a business practice long held lawful. This litigation in fact involves but an economic tug-of-war between discounters—whose cause the Department of Justice supports—and franchised automobile dealers—whose economic well-being has been the subject of special Congressional concern in the Automobile Dealers' Day In Court Act, *supra*. All the phrases about the virtues of competition do not alter the reality that this Court is being requested, on a scant and uncertain record, to make a far-reaching economic judgment as between franchised automobile dealers and discounters. One or the other will prevail in this litigation.

Highly placed and renowned figures in the world of commerce have frequently given expression to the businessman's appraisal and evaluation of trademarks—their function and role.⁶ The statements emphasize the enormous monetary value of a popular trademark, the trademark as a priceless asset. Unlike other assets, a trademark, being the symbol of an intangible, is relatively immune from fire, flood and certain other natural disasters and purely physical risks. At the same time, the trademark is always subject to unusual perils of a unique nature.

The whole development of the law relating to trademarks and unfair competition is of relatively recent origin, Callman, *Unfair Competition and Trademarks*, 2d Ed. (1950) and is primarily concerned with the protection of the trademark, as private property, from

⁶ See, for example, Hearings, Committee on Interstate and Foreign Commerce, U.S. Senate, 82nd Congress, 2d Session on H.R. 5767 (1952).

appropriation by strangers. It is not surprising that valuable property of any species should be subject to the risk of larceny, and the law painstakingly developed the special protection necessary for these symbols that embody and signify a most precious capital, goodwill. It is now well settled that the law of trademarks serves the functions of both protecting the public, and preserving intact the ownership rights in the trademark of the business whose reputation and goodwill the mark symbolizes.

From the practical point of view of the businessman, there are two interrelated features of his trademark that are of important and continuing significance. First, the trademark is his business identity, in the same manner as his signature on a will or a check signifies his identity as an individual. Second, the trademark both creates and contains the future expectancy of the business. As the trademark is the accumulated heritage of the past, it is also the promise of the tomorrow. Its possession affords the businessman all of the assurance he will ever have that he can anticipate future orders from satisfied customers.

Both of these ownership benefits of trademarks are intangibles, they exist only as special symbols in the general consciousness of their audiences. The use or harvesting of the commercial values of trademark symbols in a distribution process is often a delicate and tenuous affair, in respect to which a choice of marketing options often play a major role.

For example, the maker of a high-priced, premium quality brand of watches may want to have watches bearing his commercial identity exposed to the public

only in prestige retail situations. The trademark owner in this case is aware that the calibre of retail exposure is an important part of the "perceived value" of his trademarked watches. As part of his marketing strategy directed at consumers who are moved by status symbols, the trademark owner limits and confines his retail exposures to the few that seem to him to be appropriate. To deny him the option of making effective his selection of channels of distribution by enforceable covenant, such as in the General Motors dealer location clause, is to foreclose him from the privilege of employing his trademark as he deems to be in his best interest.

Would there be any off-setting social advantage in outlawing such trademark owner's "sales to consumers only—no wholesaling" restriction? It should be noted that the question is not whether the trademark owner is right or wrong as to his choice of marketing options, the consumer will inevitably make that decision. Of course, the more successful such marketing strategy becomes as a sales increasing device, the greater the pressure on the operation of the restrictive clause from those who wish to participate in the benefits of the successful trademark franchise—that which they neither created nor made contribution to as a risk-taker.

Now what if the trademark owner is convinced (rightly or wrongly) that the adding of dealers would dilute and diminish the value of his trademark—its currency in the trade or acceptance by consumers? Should the antitrust law be interpreted to compel the trademark owner to take this risk whenever his retailers violate the "no-wholesale" or "no branch

outlets" clause of their agreements with the trademark owner? Realistically, the only occasion for the occurrence of the problem is when the trademark owner is correct in his choice of marketing options of limiting or restricting his distribution. The antitrust rule surely should not be that the commercial success of the limiting device is also the measure of its illegality.

Finally, what are the permissive options of the trademark owner who has made a commercial success, in part by following a practice of limitation of retail outlets (by whatever form of contractual device) when confronted with a "volunteer" whose retail situation and practices affirmatively injure the carefully-created good will of the trademark owner? To pursue the hypothetical case of the maker of watches who succeeds because he sells only to a limited number of prestigious retail stores in each market, what lawful interest may he assert when "bargain basement" distribution occurs as a result of transshipping by retailers? Does national antitrust policy, intended to promote and enhance competition, compel the trademark owner in such circumstance to endure the destruction of the prestige image that has now become the very essence of the trademark?

There is very real concern among trademark owners that the above hypothetical case is in fact their legal position. *Parke-Davis* taught anew that a producer cannot conspire with his wholesalers as to its policy of retail price fixing, with this doctrine *amici curiae* are in full accord. But to extend this to variant forms of buyer-seller limitation on an "effect on price" theory brings into sharp question the very foundations of brand distribution as they now exist. The Govern-

ment's appeal to this Court is much more than a request that the Court elevate intra-brand competition as more important than that among rival brands, and the Government's economic position contains more than an implicit assumption that retailers are more important to the preservation of competition than are producers. In essence the Government's economic analysis of this automobile distribution case if accepted, and applied to trademark distribution generally, would be a mandate for far-reaching and unpredictable changes in the marketing of all branded products.

To summarize this portion of our brief, we submit the following essential propositions that bear upon the permissive nature of the dealer location clause in issue:

1. A trademark is an intangible asset of unique and irreplaceable value, and is "owned" by the creator thereof.
2. Property rights in trademarks are unusual in that they have no existence unless used in a buyer-seller distribution context.
3. The trademark owner retains an interest in his trademark that survives the passage of title to the goods; the purchaser of the goods acquires no rights in the trademark.
4. Under some circumstances a trademark can be used in the distribution process so as to dilute, disable and injure it, perhaps to the point of its destruction.
5. The owner of the trademark has a lawful interest in avoiding and preventing injury to his trademark by limiting its use to those whose use thereof is

beneficial, or at least non-detrimental, to the currency and value of the trademark.

6. National policy favoring competition should not be employed to prevent the trademark owner from protecting the value of his trademark, which preserves his own ability to compete.

7. A trademark owner's limitation of the number and location of retail outlets for his trademarked products by the use of a "no-branch outlet" or "no wholesaling" agreement is generally a permissive means that may be employed by the owner of a trademark to enhance, preserve, protect and defend the value of the trademark.

8. The public interest in fostering competition within the ambit of a single, non-monopolistic distribution system, relating to a single brand, is not so great and overwhelming in its operation that the trademark owner's interest in business self-preservation must be subordinate thereto to the point of forfeiture.⁷

⁷ "In the law we only occasionally can reach an absolutely final and quantitative determination, because the worth of the competing social ends which respectively solicit a judgment for the plaintiff or the defendant cannot be reduced to number and accurately fixed. The worth, that is, the intensity of competing desires, varies with the varying idea of the time, . . ." ". . . I have in mind an ultimate dependence upon science because it is finally for science to determine, so far as it can, the relative worth of our different social ends, and, as I have tried to hint, it is our estimate of the proportion between these, now often blind and unconscious, that leads us to insist and to enlarge the sphere of one principle and to allow another gradually to dwindle into atrophy." Holmes, *Collected Legal Papers*, pp. 231, 242.

The Issue of Illegal Pricefixing Is Not Effectively Present in This Case

The record below, according to the Government's brief, indicates that retail prices for Chevrolets were higher in Orange County than in other parts of the Los Angeles metropolitan area. The Government then states:

"Although the record does not show why there was this disparity, a *proper inference* is that it reflected a lack of competitive pressures" (Emphasis added.) *Brief for the United States*, p. 22.

We suggest that the drawing of this inference is unfounded, and that there is no support in the record for inferring that the branch location clause here in question was even as much as a contributing factor to higher prices in Orange County. Indeed, if one must grasp at straws to explain price differences, it would seem at least equally plausible to hypothecate higher costs of operation as being the cause of higher retail prices. Contrast this to the Government's argument that the branch location limitation can be inferred to have reduced the number of Chevrolet outlets which can be inferred to have caused higher prices.

The "proper inference" sought to be drawn by the Government falls rather into the categories of supposition and conjecture. A *proper inference* "is a logical deduction from facts proved, and guesswork is not a substitute therefor . . .". *Mitchell v. Machinery Center, Inc.*, 297 F. 2d 883, 885 (10th Cir. 1961). See also *United States v. L. D. Caulk Co.*, 126

F. Supp. 693, 702 (D.C. Del. 1954). As cogently stated by the New York Court of Appeals, "it is entirely true that a material fact in a civil or criminal action may be established by circumstantial evidence, but the circumstances must be such as to lead fairly and reasonably to the conclusion sought to be established and to exclude any other hypothesis fairly and reasonably". *Ruppert v. Brooklyn Heights R. Co.*, 154 N.Y. 90, 93, 47 N.E. 971 (1897). See also *Tropea v. Shell Oil Co.*, 307 F. 2d 757, 764 (2d Cir. 1962), and cases cited. In the present case, the Government seeks to convert and thus elevate a mere possibility to the status of actuality by the device of labelling the process a "proper inference".

It has been held that "the strength of any inference of one fact from proof of another depends upon the generality of the experience upon which it is founded". *Adler v. Board of Education*, 342 U. S. 485, 494. The Government has not established any empiric basis for drawing the question of Orange County pricing into the inquiry and then relating it to the validity of the branch location clause as such. In two cases below and during the antecedent grand jury proceedings, the Government had ample and repeated opportunity to develop direct evidence as to the cause and effect relationship which it now urges this Court to assume or to demonstrate a basis for its position through circumstantial proof. The fact that it failed to do so in these circumstances does give rise to a pair of alternative "proper inferences": Either the Government failed to make adequate inquiry, or that inquiry was made with negative results.

But whatever may be the deficiencies in the Gov-

ernment's factual proof of "effect on price", there is a more basic and serious error in its position.

In the broad economic sense, *every* sale has an "effect on price." If *A* sells a unit of his product, *B*, his competitor, has one less unit of sales, and may well have to raise his prices to compensate for his now higher overhead burden on each unit of sale. However, this is not the type of action "affecting price" that falls within the interdiction of the Sherman Act.

Unlike General Motors, which challenges only the factual basis of the Government's price argument, *Amici Curiae* suggest that the Government is espousing a novel and curious theory—that a restriction on distribution which affects price, in the broad economic sense suggested above, violates Sherman Act inhibitions as to resale price maintenance.

The price maintenance decisions, from *Dr. Miles Medical Co. v. John D. Park & Sons Co.*, 220 U.S. 373, through *United States v. Colgate*, 250 U.S. 300, to *United States v. Parke, Davis & Co.*, 362 U.S. 29, have been concerned with an entirely different type of problem. In those cases, the supplier had used a price-fixing device in the literal sense. The substance of the agreements, their intent and purpose, were to overtly and directly affect price. The "effect on price" was direct, immediate and intentional. Similarly, in *Simpson v. Union Oil Co.*, 377 U.S. 13, this Court proscribed consignments as a marketing device because it found the procedure to be a cloak for resale price-fixing agreements.

It is possible that the Government is induced to create a new theoretical basis for antitrust enforcement

by the ambivalent attitude it expresses toward the franchise system itself. Despite the statements in the Government's brief that "we are not here attacking the franchise system, albeit it has anticompetitive features" and its indication that the purpose of the present litigation is to prune an encrustation from the system which "can be severed without impairing it," *Brief for the United States*, pp. 27 and 36, respectively, the Government does not accept the basic legality of franchising: "We emphasize that we are not conceding that the franchise system . . . is in fact justifiable. . . . We simply regard this broad issue as not raised by the facts of the present case." *Id.* at 37. Congress, apparently, has no doubt of the legality of the system. As is discussed below in detail, it has enacted special antitrust legislation to preserve the franchise system, an action which hardly can be attributed to a desire to perpetuate an anticompetitive practice in a vital industry.

If it be the intention of the Government to use this case as a flank attack on the franchise system as a whole, it is suggested that an ancillary effect of the attack, if successful, would be to wound innocent bystanders—those involved in trademark distribution in other industries where formal franchising is not a significant factor.

Vertical Distribution Practices Cannot Be Judged by Horizontal Conspiracy Standards

In *White Motor Co. v. United States*, 372 U.S. 253, this Court was asked to extend the ban against horizontal combinations among competitors to a vertical

arrangement by one manufacturer in restricting the territories of his dealers. The Court declined to apply the *per se* rule to the situation then before it, stating:

"We do not know enough of the economic and business stuff out of which these arrangements emerge to be certain. They may be too dangerous to sanction or they may be allowable protections against aggressive competitors or the only practicable means a small company has for breaking into or staying in business . . . and within the 'rule of reason'." *Id.* at 263.

The problems inherent in the attempted application of horizontal combination tests to territorial restrictions unilaterally imposed by a manufacturer, vertically, on his dealers are further pointed out in the concurring opinion of Mr. Justice Brennan.

The Government brief states:

"We recognize, of course, that merely to enjoin General Motors and its dealers from continuing such a conspiracy could presumably leave the company free to enforce separate vertical agreements to prevent any dealer from selling through a discount house. We believe that an order as broad as that asked in the complaint . . . could be predicated upon a finding of illegal conspiracy alone. . . . But the uncertainty whether such relief would be granted prevents us from arguing that the question whether General Motors may lawfully forbid its dealers to sell through discount houses would be mooted if the Court accepted our conspiracy contentions." *Brief for the United States*, p. 21.

Implicit in the quoted government argument is the theory of antitrust illegality offered to this Court in *White Motor* and which requires closer examination. The Government seems to be saying that since a horizontal arrangement among dealers to prohibit unauthorized branches would be illegal *per se*, and since the separate vertical agreements present in this case have the same economic impact, the latter situation should be held to be the same as the former and hence presumptively illegal. It is suggested that applying the familiar geometry textbook rule that "things equal to the same thing are equal to each other" in the area of antitrust is an untested and highly dubious procedure.

Basically, the development of the *per se* doctrine as applied to horizontal agreements arises from the fact that, by acting in concert, employing price-fixing agreements, group boycotts, horizontal divisions of markets, etc., the collective participants functioned, for antitrust purposes, as a single unit—in effect a monopoly—engaged in traditional types of anticompetitive activities inimical to the public interest. Monopolies are the antitheses of competition and competitors cannot, by private agreement, frustrate the public policy which bans monopolies as intolerable. It is suggested that this is the true source and reason for the *per se* rules.

In vertical distribution cases, analysis cannot follow the same cause, because the manufacturer of a trademarked article has a natural monopoly as to his trademark. It is a contradiction in terms to employ a legal analysis that in effect charges the trademark owner with monopolizing his own trademark.

Reducing the argument to these basic terms, *Amici Curiae* find themselves in a position parallel to that of Mr. Justice Brennan in *White Motor, supra*, who commented that "consideration of the similarities has thus far obscured consideration of the equally important differences, which serve to distinguish the practice here from others as to which we have held a *per se* test clearly appropriate." *Id.* at 266.

The substance of the Government's position in *White Motor* was that a manufacturer is not at liberty to restrict the places from which and the persons to whom a dealer will resell. This Court declined at that time to accept that theory. Instead, it invited the Government to develop and demonstrate, in an evidentiary sense, the competitive evils of the challenged distribution practices.

In the present case the Government has responded by tendering a modified legal theory—it now contends that territorial restrictions are invalid whenever they have an assumed "effect on price". In addition the Government reluctantly offers to accept a "strong presumption" buttressed by a shifting burden of proof in lieu of a *per se* rule.

Therefore it is suggested that, in legal effect, the Government's position remains substantially unchanged.

In 1958, Professor Milton Handler, addressed himself to the problem of the permissiveness of vertical restrictions:

"What is vitally important is that in our zeal to preserve the benefits of a competitive society, we

do not kill the goose that laid the golden egg. The extreme notion that any restriction on the economic freedom of a contracting party is inimical to competition and should therefore be condemned out of hand is the quintessence of short-sightedness.

"Let me illustrate my thesis by focusing on an area in which reasonable restraints have traditionally been sustained but where they are presently under heavy fire by the Department of Justice—the familiar contracts by purchasers not to compete with their sellers. Despite the sharp divergence in the views of various members of the Supreme Court concerning the scope of the Sherman Act before the birth of the rule of reason in *Standard Oil*, there was no disagreement concerning the legality of the ancillaries. Barring their use as an instrument of monopoly power, these restrictions, if reasonably limited temporally and spatially, were universally sanctioned as incidental to a major legitimate business transaction. The Restatement of Contracts cites as an instance of reasonable restraints: 'A bargain by the buyer or lessee of property or of a business not to use it in competition with or to the injury of the seller or lessor.' Typical of such arrangements were restrictions on specified commercial uses of land or chattels by purchasers or lessees. In the marketing of goods the restraints took the form of exclusive dealing agreements, territorial restrictions and regulation of customer selection on resale of the manufacturer's wares. The courts were not blind to the immediate restraining influence of such restrictive practices.

But they recognized that by strengthening the hand of each producer in marketing his particular product, competition among all producers would be enhanced. And the public would thus obtain the advantages of inter-manufacturer or inter-brand competition.

* * * *

“With regard to the imposition by manufacturers of territorial and customer restrictions on distributors, the Justice Department takes the extreme position of *per se* illegality. Judging from the ever-increasing number of consent decrees entered of late which prevent these restrictions, the Department has not had much of a fight on its hands from those whose distribution programs it has attacked. To me this is a constant source of mystification, since the decided cases in this area are uniformly favorable to the defendants. To win on the merits, the Government would have to persuade the courts to retreat from precedent and turn back the pages of history to the Fifteenth Century when no restriction on either seller or buyer was countenanced. If we lived under that type of regime, there could be no such thing as orderly marketing of goods through the usual hierarchy of distribution. A manufacturer could not require his wholesalers to confine their sales to retailers; nor could he prevent his distributors from selling outside designated geographical territories. Title to the goods having passed, he would in so doing be restraining the trade of his customers. By the same token, wholesaler would have to be free to compete against wholesaler, wholesaler against retailer, and retailer against retailer—all in respect of the same product and

brand of a single manufacturer, and irrespective of the extent and vigor of competition at each level from other brands. While the public might derive a short-run benefit from such chaotic distribution in the form of cut-throat price competition, there would come a time when the larger companies would seek refuge in vertically integrated market outlets of their own. Their smaller competitors, of course, would not have the wherewithal to emulate their example. Inevitably, the independents would find it difficult, if not impossible, to compete effectively without the protection of marketing arrangements enabling them to channelize their wares to the consumer without costly intra-distributional warfare. Mr. Justice Douglas perceived the danger of industrial concentration through vertical integration as an alternative to the use of the requirements contracts which were outlawed in *Standard Stations*; he recognized that if manufacturers were denied the right to prescribe the orderly marketing of their wares, they inevitably would take over distribution themselves.

"The common law recognized the social justification for limited marketing restrictions, and so have the courts under the Sherman Act. There is no reason to repudiate their wisdom. Order is not synonymous with monopoly or the absence of competition. The public is amply protected by a system of distribution keyed to inter-brand competition. To insist on intra-brand competition as well is only to court short-term chaos and long range subversion of our competitive order. We can avoid this by rejecting absolutes and giving ungrudging adherence to the rule of reason."

Handler, *Recent Antitrust Developments*, 13 Record of N.Y.C.B.A. 417, 422-25, 432-36 (1958).

* * * *

"It was only a few years ago that exclusive distributorships were under frontal attack in treble damage actions. Then came *Schwing* and *Packard*. During the past year, the Federal Trade Commission, relying upon these precedents, has unqualifiedly approved such arrangements between a manufacturer and his distributors. What is more, it has refused to apply the *per se* illegal doctrine to restrictions imposed by manufacturers with regard to the customers to whom their distributors may resell. These decisions may pre-
 sage a more hospitable attitude towards the rudiments of orderly marketing.

"You will recall that I have repeatedly called attention in these annual talks to the persistent attack by the Department of Justice upon the allocation by manufacturers of assigned territories to their distributors or dealers. This has been coupled with a governmental assault upon the effort of sellers to control the channels of trade through which their products may be distributed. Practices sanctioned by a long line of common law and statutory precedents have been the subject of numerous complaints. None, however, has ripened into judicial decision, the cases consistently being settled by consent decree.

"My plea for the preservation of the existing law on orderly marketing relates, of course, to vertical agreements between seller and buyer. Orderly marketing can be a euphemism for a garden variety horizontal combination in restraint of trade.

For example, the Fourth Circuit was confronted this past year with a horizontal marketing arrangement in the *Virginia Excelsior Mills* case, strongly reminiscent of that involved in the well-known *Appalachian Coals* case. A group of small manufacturers, accounting for about 25% of the national output of excelsior, decided to market their product through a common sales agency at prices dictated by the members of the combine. The court regarded the plan as a form of price-fixing and hence unlawful *per se*. *Appalachian Coals*, it asserted, was no longer law, having failed to survive 'the strong and consistent course of subsequent decisions.'

"Orderly marketing, in the sense in which I use it, encompasses exclusive distributorships granted by the seller, territorial limitations imposed on the buyer, and restrictions on the use and disposition of the purchased product. These arrangements were classified at common law as contracts not to compete ancillary to the purchase of property. The Restatement of Contracts includes among the instances of reasonable restraints 'a bargain by the buyer or lessee of property or of a business not to use it in competition with or to the injury of the seller or lessor.' The leading case at common law was the Supreme Court decision in *Oregon Steam Navigation Co. v. Winsor* upholding a covenant by the purchaser of a steamship not to operate it in competition with its seller on any waterway within California for a period of ten years.

"From the premise that a purchaser could be restrained from using the purchased article in

competition with his seller were derived the rulings that he could be confined to the use or sale of the product within a defined territory or inhibited from selling to a class of customers reserved by the seller for himself or assigned to other distributors. Illustrative of restraints upheld under the Sherman Act have been an agreement not to resell sugar purchased for use in the manufacture of candy and a promise by a buyer to dispose of the purchased goods in the export and not the domestic trade." Handler, *Recent Antitrust Developments*, 14 Record of N.Y.C.B.A. 318, 349-51 (1959).

Congressional Concern with and Action in This Area Has Been Adequate to Protect the Public Interest

Manufacturer-retailer relationships have been the subject of numerous Congressional inquiries, some of which have culminated in special legislative enactments. There is no other industry that has been more closely, carefully and continuously scrutinized by Congress, acting through its various committees, than the industry now before the Court. Automobiles and the distribution thereof seem to be in the category of a special ward of Congress. This is understandable, in view of the basic, quasi-public utility status of the automobile industry, the magnitude of the industry, and its resultant importance to the nation's economy.

The dealer location provision of the franchise agreement under consideration has been submitted to Congressional review and scrutiny on many occasions. Congress has had repeated opportunity to appraise

the competitive effects of this clause and dealer operations thereunder.⁸

Amici Curiae do not represent that the dealer location clause in issue here resulted from Congressional mandate or that it possesses specific Congressional approval. The significance is rather two fold: (1) That Congress has had the opportunity to speak out in protest, if such were warranted, and nowhere in the prolix record of Hearings, Reports and debates appears criticism of the dealer location clause as anti-competitive in operation, and (2) that Congress has repeatedly demonstrated by the enactment of remedial legislation its interest in and capacity to deal with the special problems of automobile distribution.

It is elementary that Congress is the constitutional architect of national economic policy. Congress alone, acting through its network of committees, is equipped with the facilities, including staff efforts, to elicit and digest the quantities of data and testimony which are prerequisite to a sound determination as to rival economic courses.

A consideration of S. 3946 84th Congress (1956)—not enacted by Congress—affords an additional and compelling reason why this Court should hesitate to change the ground rules for automotive marketing at this time. S. 3946 was introduced by Senator Monroney and eight other senators in May, 1956, following a survey and study commenced the prior year. Although not enacted into law (S. 3879 was enacted as

⁸ Hearings, Antitrust Subcommittee, Committee on the Judiciary, House of Representatives, 84th Congress, 2nd Session on H.R. 11360 and S. 3879, Serial No. 26, pp. 507, 548.

the preferred solution to the problem of the termination of dealer franchises) Section 17 (a), Subsection 2 of the unsuccessful measure is especially pertinent to the economic arguments of the Government in this litigation, and is excerpted as follows:

“Sec. 17. (a) For the purposes of section 5 it shall be deemed an unfair method of competition and an unfair act or practice in commerce—

* * * *

“(2) for any dealer knowingly to sell any new motor vehicle produced by any such manufacturer to any person other than another dealer of such manufacturer, for resale by such person as a new motor vehicle in competition with other dealers of such manufacturer, without first affording such manufacturer an opportunity to repurchase such motor vehicle within a reasonable time after its receipt by such dealer for a sum equal to the actual price paid by such dealer for such motor vehicle (including the cost of delivery thereof to the place of business of such dealer), if such manufacturer has placed in effect a plan providing for such repurchase;”

Under the discussion following the text of the proposed Measure there appears:

“In general the bill provides that certain practices by automobile manufacturers and automobile dealers are “unfair methods of competition” and “unfair acts or practices in commerce” and places these practices under the scrutiny of the Federal Trade Commission.”

The "unfair trade practices" specified are:

* * * *

"(2) the "bootlegging" of automobiles by dealers without first affording the manufacturer an opportunity to repurchase, if the manufacturer sets up a plan to repurchase such automobiles;"

* * * *

Brief History of Bill

This bill is the result of the most extensive study of the automobile industry ever conducted by Congress. The study was commenced in March 1955. The subcommittee staff made a comprehensive background survey from that date until January 1956 at which time hearings commenced. During this background survey, the subcommittee members and the staff interviewed hundreds of automobile dealers, representatives of automobile manufacturers, and other interested groups, compiled data from previous studies by the Federal Trade Commission and the Department of Justice and sent a questionnaire to the approximately 40,000 enfranchised automobile dealers of America. Nearly 20,000 of the dealers polled replied, and they favored Federal study or legislation with regard to their problems by a margin of 7 to 1. The result of this questionnaire, broken down by States, is available in the subcommittee's January 19 report.

Subcommittee hearings began January 19, 1956. All segments of the industry and witnesses from consumer groups and the public were heard. S. 3946 was introduced May 28, 1956, and again witnesses were heard. Modifications were con-

sidered and some were adopted. Hearings closed June 21, 1956.

Objections by the Federal Trade Commission, the Department of Justice, and the Department of Commerce to the bill as originally introduced are included as an appendix to this report. It should be noted that many of their objections have been met. One of the primary objections was directed toward the requirement that manufacturers effectuate a reasonable plan for the repurchase of dealers' excess stock of cars. The bill has been modified to make the effectuation of such a plan optional with the manufacturer.

During the course of the study, numerous reforms were voluntarily made by automobile manufacturers in their relations with dealers. The provisions of this bill closely parallel these reforms. It consolidates the recent gains made in factory-dealer relations without requiring any major revisions of present marketing patterns. It would require all manufacturers and dealers to largely observe minimum "ground rules" and thus prevent the return to destructive and abusive practices for competitive advantage.

Paragraph Analysis of S. 3946

* * * *

Paragraph (2): This provision is primarily directed at the practice of "bootlegging". It recognizes the right of the manufacturer to require its dealerships to perform a retail (rather than a wholesale) function, if the manufacturer shoulders the responsibility of its own production decisions by offering to repurchase, at delivered

cost, dealers' excess stocks of cars. It in no way restricts the right of a dealer to sell the car at any price. Only when the dealer assumes the role of wholesale distributor by knowingly selling to others whose purpose it is to resell these cars as new motor vehicles, in competition with other enfranchised dealers of the same manufacturer, is this provision violated—and then, only if the manufacturer has set up a reasonable system for repurchasing these cars at the dealers' delivered cost. In other words, before assuming the role of a wholesaler, the dealer must offer the cars to the factory, at the dealer's delivered cost, if, and only if, the factory has agreed in advance to repurchase at that price.

Mr. Harlow H. Curtice, president of General Motors, in his testimony before the subcommittee urged legislation along these lines. He described it as "a proposed new clause which in effect required the dealers to offer cars back to us at dealers' cost before disposing of them in bootleg channels." He also said "such a clause would have the effect of minimizing possible overproduction and maldistribution. The dealer would be careful to order only cars that he could expect to sell at retail. The manufacturer's representatives in the field, responsible for distribution, would avoid maldistribution in order not to be in the position of repurchasing or refusing to repurchase cars. The factory would schedule production carefully to avoid overproduction."

Furthermore, General Motors, more than a year ago agreed, on its part, to accept new cars back at dealer's cost. This provision would require dealers to comply with such a plan, if it is offered,

before entering their excess stocks in bootleg channels. If the dealer's manufacturer offers no such plan, the paragraph is completely inoperative. In other words, its operation is completely optional from the standpoint of the manufacturer.⁹

The fact that this measure failed of enactment does not detract from its significance as being reported out to the Senate by the full Committee on Interstate and Foreign Commerce. No repudiation is implicit in subsequent Congressional action in approving another and rival measure dealing with the identical problem.

Under all of the legislative circumstances detailed above, it seems most inappropriate at this point for the Executive branch of government, acting through the Department of Justice, to urge this Court to adopt a rule of law and a distribution philosophy that is diametrically opposed to that promulgated and approved by the above Senate Committee after exhaustive investigation. An appropriate regard for the labors of the legislative branch of Government, although falling short of a clear expression of Congressional will, would suggest that the change in the "ground rules" urged by the Department of Justice in this case be held in abeyance.

⁹ Hearings, Automobile Marketing Practices, Subcommittee of the Committee on Interstate and Foreign Commerce, U.S. Senate, 84th Congress, 2nd Session, Appendix to Digest, p. 125 et seq.

The Decision in This Case Should Be Restricted to Its Facts

The instant case should not be treated as capable of originating a general rule regulating the scope of limitations on customers which may be imposed by a manufacturer. It deals with a much narrower issue—the right of General Motors to impose restraints upon its franchisees in the special context of the automotive industry. The Government acknowledges that “plainly, the structure of the automotive industry is far from the competitive norm.” *Brief for the United States*, p. 23. It further characterizes the industry as one “dominated by three firms, which in 1960 accounted for 84.2 percent of all domestic new-car sales,” where “Chevrolet . . . alone accounts for some 30 percent of . . . domestic new car sales,” and indicates that “in the Los Angeles area alone General Motors in 1960 sold 93,333 Chevrolets to its dealers, for more than \$100,000,000.” *Id* at pp. 23, 24.

Amici Curiae are representative of a variety of industries much closer to the competitive norm. Their fields of endeavor are characterized by lack of concentration, absence of firms controlling large segments of the market, and sales figures dwarfed by those of automobile marketing. In these more typical markets, a large number of suppliers are engaged in competition for consumer preference. Their products are sold through a wide variety of wholesale and retail channels, and their customers almost universally carry other and competing lines.

In these more representative industries, some manufacturers impose limitations upon their customers, but the degree of control exercised by General Motors over its franchised dealers is virtually unknown. However, if this Court discerns any taint of illegality associated with that aspect of the General Motors franchise agreement here under attack, and does not specifically restrict its decision to the facts of the automotive industry, the implications of this decision may reach far afield, affecting manufacturers, like *Amici Curiae*, who must operate in industries where there are no dominant sellers, where franchising is not a way of life, and where the entire competitive structure is different.

As stated by Mr. Justice Stewart, dissenting, in *Simpson v. Union Oil Co.*, 377 U.S. 13, 29, "we cannot be blind to the fact that commercial arrangements throughout our economy are shaped in reliance upon this Court's decisions elaborating the reach of the antitrust laws." While the genesis of a rule may lie in the unique and economically abnormal field of automotive distribution, the principle announced, if unrestricted at its source, may be applied with a broad brush to the entire area of distributive relationships.

Additional elements which contribute to making automobile marketing atypical are the Automobile Dealers' Day In Court Act, 70 Stat. 1125, 15 U.S.C. Sec. 1221; the Automobile Information Disclosure Act, 72 Stat. 325, 15 U.S.C. Sec. 1231, which requires price pre-ticketing of new automobiles (a practice at times suspect when utilized by vendors in other industries); the problem of used car trade-ins; the importance of

post-sale service and maintenance; the difficulty of market entry at all levels and the frequent and intensive investigations by Congress of automobile marketing practices.

Therefore, *Amici Curiae* suggest to the Court that it would be appropriate to treat the issues here as *sui generis* to the automobile industry, without general application to other modes and methods of distribution.

Conclusion

The rule of law in a free society rests in part upon an implicit covenant between the Government and its subjects that a tradition and convention of the business culture should not be proscribed without a clear showing of evil. It cannot be said in this case that the Government, in attacking the legality of a commonplace and prosaic condition of sale, has in any way sustained the burden of demonstrating that the business use of this condition or similar conditions is in any way harmful or injurious. Two respected judges of the Court below have failed to find evil, harm or injury in the conditions of sale embodied in the contract here challenged.

The drastic change in the law as it relates to distribution urged by the Government in this case should not be effectuated without a clear showing of manifest abuses together with a careful consideration of the available alternatives. The Government has failed to discharge its burden as to the first—the existence

of abuses, and it is altogether silent as to the second of its burdens—that of a consideration of the effect of the ruling it seeks *from* this Court.

Respectfully submitted,

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FILED

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No. 46

IN THE

JOHN F. DAVIS, CLERK

Supreme Court of the United States

OCTOBER TERM, 1965

UNITED STATES OF AMERICA,

Appellant,

v.

GENERAL MOTORS CORPORATION; LOSOR
CHEVROLET DEALERS ASSOCIATION;
DEALERS' SERVICE, INC.; AND
FOOTHILL CHEVROLET DEALERS ASSOCIATION,

Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

BRIEF OF APPELLEE GENERAL MOTORS CORPORATION

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Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

BRIEF OF APPELLEE
GENERAL MOTORS CORPORATION

STATEMENT

This is a direct appeal from the final judgment of the District Court in a civil antitrust case. The District Court held, after trial, that appellees did not engage in a combination to suppress competition in the sale and distribution of Chevrolet automobiles in the Southern California area in violation of Section 1 of the Sherman Act.

The complaint alleged that General Motors had violated the Sherman Act by inducing and persuading its Chevrolet dealers not to sell Chevrolets through discount

houses and referral services.* Chevrolet dealerships are locally owned and operated by independent businessmen under franchise agreements with Chevrolet (Fdg. 9, R. 1377).** Under these Dealer Selling Agreements, each Chevrolet dealer is free to sell Chevrolets at any price and to any person anywhere he finds a customer; there is no restraint on the retail prices at which the dealer may sell or upon the customers to whom he may sell. The dealer has neither territorial exclusivity nor territorial security (Fdg. 10, R. 1377; R. 330-331, 360, 417). In the early summer of 1960, some Chevrolet dealers in the Southern California area were selling new Chevrolets pursuant to agreements under which discount houses performed many of the merchandising functions normally performed by Chevrolet dealers. These discount houses, which operated at locations removed from the approved location of the Chevrolet dealer involved, maintained new car sales departments which advertised Chevrolets and distributed Chevrolet promotional literature (Fdgs. 18-19, R. 1384-1385).

In the Los Angeles Metropolitan Area, Chevrolets were being sold through 23 discount house outlets (R. 1238-1239). These discount houses were outlets or loca-

* Although the term "discount house" in this case carries a misleading inference of lower prices for automobiles, we shall hereafter follow appellant's practice of using "discount house" to cover both discount houses and referral services. The implication of lower prices is misleading because there is no evidence that Chevrolets can be or were purchased for less through discount houses (pp. 30-39, *infra*).

** General Motors Corporation manufactures and distributes Chevrolets through its Chevrolet Motor Division (herein called "Chevrolet"). The operation of the Chevrolet franchise plan is described and discussed at pp. 16-22, *infra*.

tions for the merchandising of Chevrolet dealers' new Chevrolets in addition to the outlets whose number and location had been determined by Chevrolet as optimum for the proper operation of its franchise plan. Dealers' use of these outlets was a way of accomplishing that which was prohibited by the clause (the "location clause") of the Chevrolet Dealer Selling Agreements requiring dealers to refrain from establishing additional locations or branch sales offices without the written approval of Chevrolet (Fdgs. 20, 25, R. 1385, 1388; R. 77-78).*

The practice by some Chevrolet dealers in the Southern California area of regularly using discount houses as sales outlets was first brought to the attention of the General Motors executives in Detroit in November 1960, when they received a large number of letters and telegrams from Southern California dealers and salesmen asking General Motors to do something about the situation. General Motors thereupon made its own investigation and study of the use of discount houses as sales outlets by dealers for all makes of General Motors cars throughout the United States. No dealers or dealer organizations were consulted (Fdgs. 36, R. 1391-1392; R. 362-366, 409-410).

Upon the basis of this study, General Motors, on December 14, 1960, formulated the corporation's position in a letter which was thereafter sent to all of the more than 15,000 Cadillac, Oldsmobile, Buick, Pontiac and Chevrolet dealers in the United States. The letter expressed the corporation's opposition, in the light of the

* The origin and operation of the location clause is described and discussed at pp. 17-20, *infra*.

dealers' obligations under their Dealer Selling Agreements, to arrangements by dealers with discount houses for the sale of the dealers' new cars through such discount houses. It pointed out that such practices could represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the Dealer Selling Agreements. It advised that personnel of the several motor car divisions were being instructed to meet with General Motors dealers for the purpose of attempting to induce and persuade each such dealer to refrain from entering into arrangements for the sale of new General Motors cars through discount houses in violation of his Dealer Selling Agreement (Fdgs. 36, R. 1391-1392; R. 741-746, 1303-1323).

Thereafter, acting independently of General Motors, individuals representing the appellee dealer associations shopped discount houses in the Los Angeles Metropolitan Area, and by purchasing new Chevrolets from some dealers through discount houses found that some dealers were continuing to use discount houses as sales outlets. They so informed the Los Angeles Zone Office of Chevrolet, which brought each shopped car to the attention of the dealer who sold it and asked him whether he wished to repurchase the car. The Zone Office, realizing that dealers employ many salesmen, recognized that "it is quite possible for a car to get away from a dealer without him knowing anything about it" (R. 456). This was a way of showing the dealers that "there was a possible violation of the selling agreement" and of trying to "persuade them to stop it" (Fdgs. 41, 42, R. 1393-1394; R. 471).

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The District Court heard the testimony of the president of General Motors and of the vice president in charge of distribution, who acted for the corporation in this matter, as well as that of the Los Angeles Chevrolet zone manager who was in charge of carrying out the corporation's instructions. The court found that General Motors had acted independently and without combination, conspiracy or concert of action with the Chevrolet dealers or the appellee dealer associations (Fdgs. 37 and 45, R. 1392-1393, 1395-1396).

By agreement, at the conclusion of the testimony and two weeks prior to final argument, the Court was furnished by each party on July 14, 1964, with a separate set of proposed findings with appropriate record references. After two days of argument, the Court announced its opinion and decision in favor of appellees on August 24, 1964. Under the local rules (Rule 7), the counsel for the successful party prepares the proposed findings and conclusions. In keeping with this practice, the District Judge directed the appellees to submit revised consolidated findings and conclusions which would reflect what he called the "gist of my decisions" (R. 1371-1372). These were lodged with the Court on August 31, 1964. After obtaining an extension of time, appellant, under local Rule 7, filed objections to two of appellee's proposed findings and proposed substitute findings for them on September 10, 1964. The District Court adopted one of appellant's proposed findings and rejected the other, added a paragraph to the conclusions, and signed and filed the findings of fact and conclusions of law on September 14, 1964 (R. 1373-1399).

ARGUMENT

INTRODUCTION AND SUMMARY

A.

Appellant tried this case in the District Court upon the theory that appellees were engaged in a *conspiracy* to prevent sales by Chevrolet dealers through discount houses which appellant characterized as a group boycott — a *per se* violation (R. 1366). Appellant expressly stated that it did not claim that the Chevrolet Dealer Selling Agreement (or its location clause) was an unreasonable restraint of trade in violation of the Sherman Act. In a pre-trial memorandum, appellant stated,

“Moreover, this case does not attack the provisions in the General Motors contracts with its franchised dealers which General Motors refers to as ‘location limitation’ clauses. Assuming *arguendo* that General Motors has characterized such provisions accurately, they do not, either separately or collectively, constitute the factual basis for the conspiracy alleged in the Complaint. The Government does not contend that such contracts constitute the violation charged.” (Reply Memorandum of September 16, 1963 on Plaintiffs Motion for Informal Pretrial Conference, p. 2, lines 12-18, unprinted)*

* References to unprinted portions of the record are necessary by reason of appellant's change in the theory of its case and by reason of its use of unprinted portions of the record in support of its new theory — circumstances which General Motors could not foresee at the time portions of the record were designated for printing.

On the first day of the trial, counsel for appellant said,

"The contract does not form any part of the Government's case. It is not charged to be illegal." (Rep.Tr., June 16, 1964, p. 9, lines 1-2, unprinted)

And in appellant's argument at the end of the trial, the following colloquy took place between the trial court and counsel for appellant:

"THE COURT: But I think we are missing my point. My point that I am trying to find out is: There has to be a conspiracy here to make out a case, isn't that right?

"MR. BLECHER: That is correct." (Rep. Tr., July 27, 1964, p. 961, lines 15-18, unprinted.)

Having lost on the conspiracy charge, appellant now shifts its position and argues that the location clause is an unreasonable restraint of trade as applied to dealers' use of discount houses as sales outlets. This argument is one upon which an economic inquiry is essential. *White Motor Co. v. United States*, 372 U.S. 253, 263. Yet at the time of the trial, appellant regarded an economic inquiry as "not permitted" and urged the Court to "avoid a needless expansive, fruitless inquiry into the realm of ethereal economics."* Indeed, appellant objected to the introduction of evidence regarding the effect of the location restriction on the ground that appellees were guilty of a *per se* violation, and yet it now contends that appellee had the burden during the trial

* Rep. Tr. of Sept. 23, 1963, p. 25, line 24, unprinted; Plaintiff's Objections to Evidence dated June 1, 1964, p. 4, lines 13-14, unprinted.

to prove that the restraint is not unreasonable (Rep. Tr., June 17, 1964, pp. 239, 241, unprinted; Br. 25).

B.

In its argument in this Court, appellant recognizes that certain restrictions on General Motors dealers may be justified in the light of the long-range needs of inter-brand competition, and it states that it is "not attacking the franchise system" (Br. 26-27, 37). Moreover, appellant concedes *arguendo* that "a proliferation of branch locations may impair General Motors' planned spacing of franchised dealers" (Br. 33), thereby assuming the reasonableness of applying the location clause to prevent dealer-operated branch locations. This concession narrows the issue to this: Does the record show that the use of discount houses as sales outlets would be so much less detrimental to the Chevrolet marketing plan than the use of dealer-operated branch locations that a restriction on employing such discount house sales outlets would be unreasonable?

In defending against the conspiracy charge, General Motors contended that it had acted independently in furtherance of its own interests. To prove that there were valid reasons for independent action, it offered evidence showing that dealers' use of discount houses as sales outlets would adversely affect its marketing plan. Focusing squarely on that issue, the District Court found that dealer's arrangements for use of discount houses as sales outlets "have a greater inimical effect on such [franchise] system than the establishment of dealer-controlled branch sales offices" (Fdg. 25, R. 1388). Appellant

does not directly challenge this crucial finding, though it is apparent that the finding must be overturned if appellant is to prevail. Rather, appellant mounts a theoretical argument to the effect that "the restriction on discount house selling is both more restrictive on the dealers and less necessary to General Motors" than the restriction on dealer-operated branch locations (Br. 33-35). That argument is not supported by a single record citation.

C.

In its brief, appellant strains to create the illusion that discount houses are necessary to create price competition in the sale of Chevrolets in the Los Angeles Metropolitan Area. Thus, appellant says that there will be no sales through discount houses if the prices and margins of dealers are "reasonably low" but that sales through discount houses are necessary to break the "artificial price and profit level" (Br. 28-29). Without discount house outlets, so the argument goes, dealers with higher prices will indefinitely escape price competition at their location (Br. 23). This argument reflects so fundamental and far-reaching a misunderstanding of the Chevrolet plan of marketing that it infects appellant's entire argument.

There are 85 Chevrolet dealers in the Los Angeles Metropolitan Area, and the entire area is the zone of responsibility of each of them. Each of them advertises and sells cars throughout the metropolitan area, which is interconnected by high speed freeways and which has one of the most mobile populations in the world.

These 85 dealers price their cars to the public in an absolutely free, highly competitive market which includes

326 dealers of other makes. In establishing his prices, each Chevrolet dealer competes with 84 other Chevrolet dealers each of whom is charged with devoting his principal efforts to the entire area. Moreover, on the average, each of the 85 dealers has five other Chevrolet dealers within five miles of him and many more within easy driving distance, and therefore is subject to vigorous intra-brand as well as interbrand competition.

Where 85 separate dealers are making individual pricing decisions, it is only natural that some will charge more than others. Some will emphasize price in their competitive struggle and others will emphasize service and other factors. But any dealer who is "high priced" in relation to other Chevrolet dealers can expect to see his volume drained off by one of the 84 others in the metropolitan area.

Discount houses are not necessary to create price competition; the 85 dealers do it themselves by competing for customers in a free market. Blanketing the area, these dealers are "in vigorous competition with each other in discounting prices in the sale of Chevrolets" (Fdg. 31, R. 1389). Discount houses are not a "safety valve" providing Chevrolets at which appellant considers "reasonably low" prices. They are simply a way for a dealer to get a second location in violation of his contract.

D.

In the argument that follows, we shall demonstrate that the record in this case requires affirmance of the District Court decision. After describing the necessity for

the Chevrolet plan of marketing and how it operates, we shall show that the location clause is essential to the success of the plan and that it is entirely reasonable and necessary to apply the location clause to prevent dealers' use of discount houses as sales outlets. The District Court found that the location clause, so applied, does not limit price competition (Fdg. 30, R. 1389). There is no evidence to the contrary. As the District Court found, the franchise plan, with the location provision as its keystone, actually enhances competition (Fdg. 33, R. 1390-1391). Among other things, it prevents the concentration of marketing in large dealers with discount house satellites.

The conspiracy argument, which was appellant's sole reliance in the District Court, is all but abandoned in its brief in this Court, with only slightly more than one page of argument being devoted to asserting that General Motors joined the dealers in a program to prevent sales through discount houses (Br. 41-42). Whether General Motors acted independently or acted jointly with the dealers is a question of fact. *Theatre Enterprises v. Paramount*, 346 U.S. 537, 542. On this question of fact, the District Judge heard the testimony of those responsible for General Motors' conduct explain what they did and why they did it. He believed their testimony which showed that General Motors acted independently in furtherance of its own interests and not jointly with any Chevrolet dealers and he so found (Fdgs. 37, 45, R. 1392-1393, 1395-1396). Appellant is not entitled to a trial *de novo* in this Court on this question of fact.

I. CHEVROLET'S APPLICATION OF THE LOCATION PROVISION TO PREVENT DEALERS' USE OF DISCOUNT HOUSES AS SALES OUTLETS IS NOT AN UNREASONABLE RESTRAINT OF TRADE.

The argument in this section is based upon the assumption that the issue of the reasonableness of the location clause as applied here is properly before this Court, although appellant expressly disclaimed challenging it in the trial court. See *supra*, pp. 6-7. To assess the reasonableness of applying the location clause to prevent dealers' use of discount houses as sales outlets, it is essential to know "the economic and business stuff" out of which this action emerged. *White Motor Co. v. United States*, 372 U.S. 253, 263. Accordingly, we commence this argument with a statement of the facts, drawn from the record, showing the need for a dependable dealer organization and a description of the Chevrolet franchise plan. We then demonstrate that the location clause is the keystone of this plan and that its application to prevent dealers from using discount houses as sales outlets is not an unreasonable restraint of trade.

A. Chevrolet needs a dependable dealer organization by reason of the nature of the product and market.

It is essential for Chevrolet to have a dependable dealer organization in order to meet the demands imposed by the nature of the product and the market. The dealer organization must be able to meet the following requirements:

1. To perform functions in aid of manufacturing.

The mass production of automobiles requires constant and detailed forward planning, with long lead times for suppliers of raw material and for the subcontractors who fabricate many of the parts used (R. 336-340). Year in and year out, Chevrolet needs dependable dealers in close contact with consumers and capable of reporting data on future consumer demands essential to rational production scheduling at the factory. Chevrolet therefore depends upon dealers whose salesmen have lists of prospects and keep in close touch with Chevrolet owners and others who may be interested in a new car. Dealers make demonstrations, appraise used cars, and try to make sales. Through these close relationships, the Chevrolet dealer can make, each month, an informed estimate of his future requirements in numbers of units and in customer tastes and preferences (R. 315, 336-337, 355). Under the Chevrolet Dealer Selling Agreement, each dealer is required each month to forecast his needs for that month and the ensuing three months (R. 531, 569).

Accurate forecasts from the dealer organization help prevent fluctuations in production which tend to increase costs (R. 357-358). It is an expensive process to change the scheduled flow of production stretching from the plants of raw material suppliers to the dealers' show-rooms (R. 338-340). Steady production holds down the price of cars and also contributes stability to a national economy in which one-seventh of all persons gainfully employed work in the automotive industry or in industries serving automotive needs (R. 342-343).

2. To provide service and parts facilities in convenient locations for consumers.

Conveniently available service is essential to the reliable, safe operation of an automobile. It is a complex mobile product with about 2,000 moving parts and requires periodic service in ordinary use (R. 51, 299-301). In addition, warranty obligations and the increasing scope of product liability make it incumbent upon manufacturers to have an adequate number of facilities properly equipped and located to perform every needed service. Chevrolet satisfies this requirement of comprehensive service on a national basis through the network of Chevrolet dealers equipped to meet all service requirements of Chevrolet owners (R. 304-305, 334-335, 537, 544). Also, Chevrolet dealers are a constant source of information concerning product problems and possible defects which may arise in the field after the new car has left the assembly plant. Some of these defects are minor and only annoying; a few may be serious. This flow of knowledge and information is essential to a speedy and effective remedy (R. 332-334).

General Motors attaches such importance to service and safety that it maintains 30 service centers around the country for the training of dealers' service personnel. Over \$30,000,000 is invested in these centers, where mechanics and supervisors attend classes and practice using the specialized equipment and tools dealers use to service Chevrolets (R. 301-303).

Convenient service helps make satisfied customers. Since the average new car buyer purchases a car every 3½ years, and since about 70% of Chevrolet sales are to

repeat customers, satisfied customers are the key to success in meeting competition. Adequate service facilities located conveniently to customers are thus necessary tools in selling Chevrolets (R. 75, 301).

Chevrolet cannot depend on come-and-go retailers to perform the important function of offering adequate service and parts to Chevrolet owners at convenient places. It needs dealers who can afford to invest from \$70,000 to a maximum of approximately \$1,500,000 in the dealership, which includes a parts inventory and specialized service tools required for servicing Chevrolets (R. 209, 303-304, 1382). It needs enough experienced dealers willing to commit their capital for these purposes to assure the Chevrolet owner that convenient and adequate facilities are available to perform whatever service his car may require anywhere in the country. It is not the number of retail outlets which satisfies the service needs of Chevrolet owners, but the year-in, year-out quality of adequately equipped and conveniently located dealer outlets.

3. To push sales of Chevrolets against the competition of other makes.

The intense rivalry among competing makes, which is reflected by the constant changes from year to year in sales rankings of various models and makes, is an ever present threat to any manufacturer's sales standing. A dependable selling organization, devoted to pushing Chevrolets against other makes and located and equipped to reach prospective buyers, is the most, if not the only, effective defense against sales failure.

There are peaks and valleys in the automobile market, during a model year and from year to year. Demand may be affected by model changes, winter weather, business recessions and miscalculations in size, styling or mechanical design. To meet these problems, Chevrolet needs a dealer organization which can be relied upon to create demand during slack seasons and which is capable of surviving lean years, remaining ready to stage a comeback (R. 305-307). For example, dependable dealer organizations helped Buick, Oldsmobile and Pontiac cope with the problems caused by the transition to smaller cars (R. 310-311).

B. The Chevrolet franchise plan.

The Chevrolet plan of marketing is designed to provide Chevrolet with a dependable dealer organization which will perform the essential functions just described. Under this plan, Chevrolet markets its cars by selling them to locally owned and operated independent businesses called "dealers" for resale to customers. Each dealer has a franchise agreement with Chevrolet called a "Dealer Selling Agreement."

Under this agreement, Chevrolet grants to the dealer the non-exclusive right to purchase new Chevrolets in return for his undertaking, among other things, to: (1) resell them in a manner which will promote sales and preserve the goodwill of Chevrolet; (2) perform functions in aid of the manufacturing operation; (3) provide adequate service and parts facilities for Chevrolet owners (R. 515-615).

1. Freedom to sell at any price.

Under the franchise plan, Chevrolet dealers in the Los Angeles Metropolitan area and elsewhere are free to sell at any price and they do so. Chevrolet exercises no control over dealer retail prices and the dealer's customer can purchase his car at whatever price he can negotiate (R. 330-331; 360-361).

2. Freedom to sell to anyone, anywhere.

All Chevrolet dealers are also completely free to sell to anyone, anywhere and they do so. There is no geographical barrier — neither territorial confinement, territorial security nor territorial exclusivity.* "Cross-selling" is not prohibited. The Chevrolet dealer can send his salesmen anywhere and sell to a customer wherever he can find one. No class of customers is excluded (R. 330).

3. The right number of dealers in the right locations.

If Chevrolet dealers are to stand ready, year in and year out, to perform the manufacturing, repair and sales functions, they must have a chance to succeed — a profit opportunity. Unless the dealer has a profit opportunity, he has no incentive to make and maintain the required investment or to hold good salesmen. Ultimately he will be unable to afford to do so.

The former head of the General Motors Dealer Organization Department, who has been studying the problem of marketing motor cars since 1922, described the Chevrolet marketing plan as follows:

* Unlike the contracts in *White Motor Co. v. United States*, 372 U.S. 253.

“ . . . the most effective way for Chevrolet to compete at the retail level against its rivals was to follow a course in the appointment and location of dealers which would give reasonable assurance that during good years and bad and for popular as well as less popular model years, a network of qualified dealers would be operating throughout the country, dedicated to the promotion of the sale of Chevrolets and adequately equipped and staffed and conveniently located to take care of the service needs of Chevrolet owners. This goal could be attained and maintained only if the dealer body, as a group and individually, could foresee a reasonable prospect over a reasonable period of years for a satisfactory return on the heavy investments they were being asked to make. Obviously it was not General Motors' policy to attempt to guarantee profitable operations for each of its dealers” (R. 205-206).

Crucial to the Chevrolet franchised dealer plan is the selection of the right number of dealers located in the right places. Too few or too widely spaced dealer locations would put Chevrolet at a competitive disadvantage by reducing total sales effort and by failing to provide adequate and convenient service and parts supply facilities where consumers need them. Too many or too closely spaced dealer locations would mean inadequate profit opportunity for Chevrolet dealers because of the overabundance of sales outlets compared to potential customer purchasing power. Qualified persons with adequate capital would then be discouraged from undertaking or continuing the substantial investment in facili-

ties, personnel and effort required to sell and service Chevrolets successfully.

Appellant urges that General Motors' desire that each dealer be so located as to have a profit opportunity means that General Motors seeks to limit price competition (Br. 40). Appellant misconceives the function of profit opportunity. The prices charged by the dealer are up to him. What General Motors desires is that each dealer have sufficient sales potential to have a profit opportunity so that if he is diligent and vigorous in the face of competition, he or a qualified successor can exist at a location where a dealer is needed to perform sales and service functions and functions in aid of manufacturing.

The selection of the right number of dealers located in the right places is a continuing process based on comprehensive studies which General Motors has developed over a period of 40 years. The fluidity, change and growth in our economy have made this a complex and year-around task. Because of the availability of motor vehicle registration data in public records (including names, addresses, and makes of cars by model years of all motor vehicle owners and the number of sales made each month by make and model), the sales potential of each neighborhood and community for all makes of cars can be determined with reasonable accuracy (R. 210). Coupling these data with its own extensive field studies and experience, Chevrolet can periodically make an informed judgment as to where Chevrolet dealers should be located and how many there should be (R. 206-218). Chevrolet aims not to put two dealers in a neighborhood which

could support only one. Otherwise it might end up with none.

4. The location clause.

The location clause is essential to the objective of having the right number of dealers at the right locations. This clause, which is part of each Chevrolet Dealer Selling Agreement, provides that the business location of each dealer must be specifically approved in writing by Chevrolet and that the dealer cannot establish an additional business location or branch sales office without the prior written approval of Chevrolet (R. 539-540, 578). Chevrolet and not the dealer has the right to determine whether he may establish additional locations (R. 327-328).

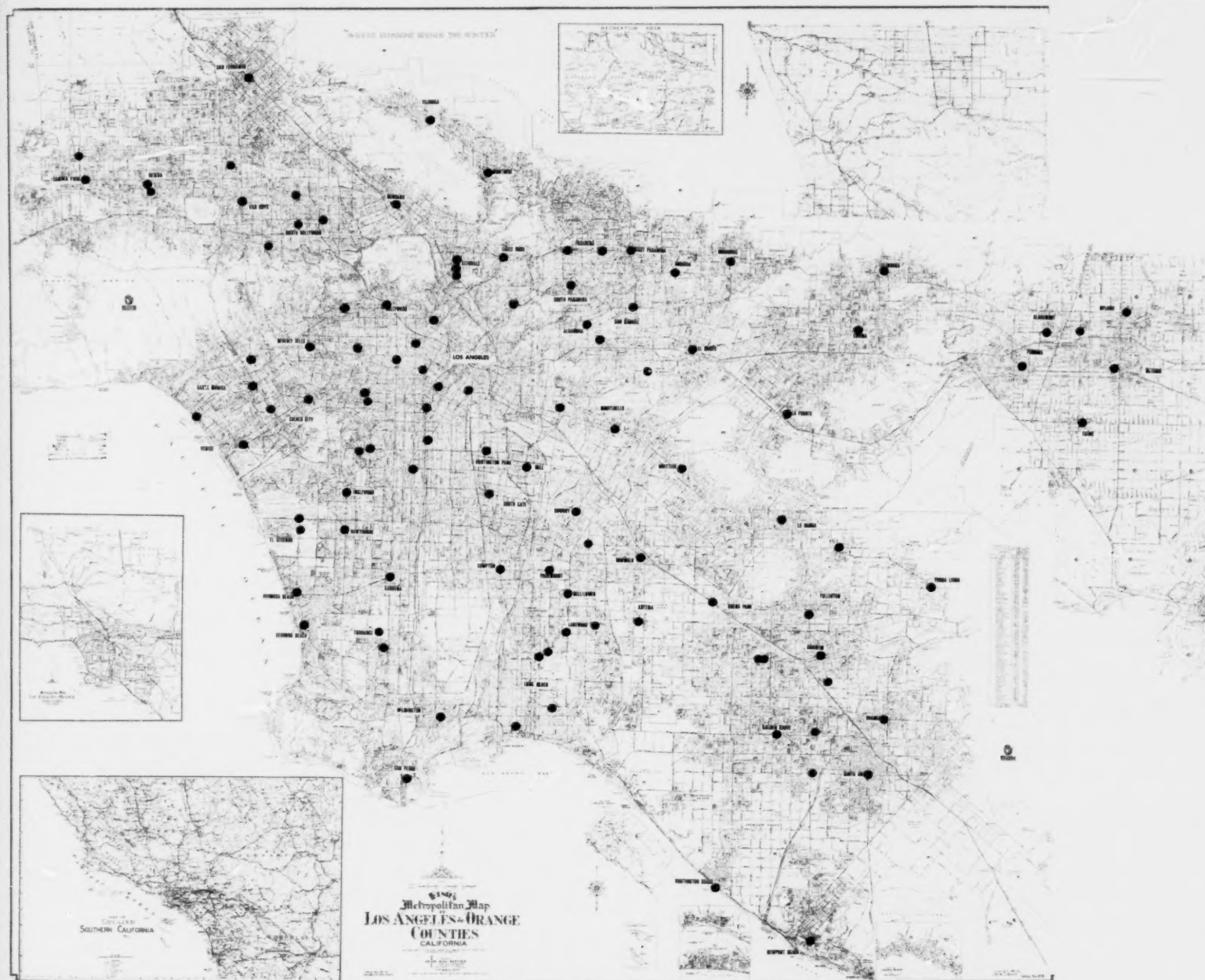
The location clause was adopted in 1940 and is a part of all General Motors Dealer Selling Agreements. It was not adopted at the instigation of the dealers. It was developed by General Motors exclusively to serve its own interests following many years of market analysis and practical experience (R. 213). Its purpose is to prevent dealers, by haphazard action, from destroying the Chevrolet plan of marketing described above.

5. Dealer locations in the Los Angeles Metropolitan Area.

The locations of the 85 Chevrolet dealers throughout the Los Angeles Metropolitan Area (which includes most of Los Angeles and Orange Counties) are graphically shown on defendants' Exhibit A, a reproduction of which is inserted between this page and the next page.*

* Although the complaint alleged that all Chevrolet dealers in the Southern California area were co-conspirators, the issues at the trial were limited to dealers in the Los Angeles Metropolitan Area.





- Chevrolet Dealer
- Discount House

Los Angeles Metropolitan Area

(Reduced Copy of G. M. Ex. A without numerals on dots)



Defendants' Exhibit B, a similar map, shows the locations of these 85 Chevrolet dealers and of the 326 non-General Motors dealers in five of the competing makes of new cars.*

Under the Chevrolet franchise plan each of the 85 Chevrolet dealers is expected to and does compete for customers throughout the entire area and even beyond. Each dealer's location gives him the advantage of closer contact with and greater convenience to customers in his neighborhood. However, if he does not meet or beat the prices and other competitive efforts of the remaining 84 Chevrolet dealers, so as to convince customers in his neighborhood that he is the best Chevrolet dealer for them, he will be unable to capitalize on this advantage. Thus, the plan is based on a principle of vigorous intra-brand competition among Chevrolet dealers as well as inter-brand competition between Chevrolet dealers and dealers in other brands.

As shown by the map, there is an average of five other Chevrolet dealers within five miles of each of the 85 Chevrolet dealers in the Los Angeles Metropolitan Area (R. 1232; 1240-1260). Within the same five miles there is an average of 22 dealers in competing makes of new cars exclusive of competing General Motors makes (*Ibid.*).

In the Los Angeles Metropolitan Area, this plan of marketing has resulted in the appointment of both small and large Chevrolet dealers. Those involved in the Price

* Enough copies of defendants' Exhibits A and B have been filed with the Clerk so that each member of the Court may have a full-sized copy.

Waterhouse & Co. study (*infra*, pp. 31-38) ranged in 1960 sales volume of passenger cars and trucks from 241 to 4,789 per dealer (R. 1229-1230). That study shows that over 35% of the Los Angeles Metropolitan Area dealers are small dealers selling 700 or fewer Chevrolet passenger cars and trucks per year (R. 1229-1230). The evidence shows that these small dealers will be the first casualties of a policy of permitting dealers to use additional sales outlets, such as discount houses (R. 223-224; 1333).

C. The reasonableness of the location clause as applied to dealers' use of discount houses as sales outlets is supported by uncontradicted evidence.

In direct contradiction to its earlier position, appellant contends on this appeal that the location clause in each Dealer Selling Agreement, as applied to dealers' use of discount houses as sales outlets, is an unreasonable restraint of trade in violation of the Sherman Act* (Br. 21-37). The burden is on appellant to prove this claimed violation. *United States v. duPont & Co.*, 351 U.S. 377, 381; *Standard Oil Co. v. United States*, 283 U.S. 163, 178-179.** And to prove unreasonableness,

* Restrictions against the establishment by a franchised dealer of another business outlet in addition to his approved franchise location were held not violative of the Sherman Act in the only other case considering the question. *Boro Hall Corp. v. General Motors Corp.*, 124 F.2d 822 (2nd Cir. 1942); *rehearing denied*, 130 F.2d 196 (2nd Cir. 1942); *cert. denied*, 317 U.S. 695.

**On this appeal, appellant has even a greater burden. It is not entitled to a trial *de novo*. It must show that the trial court's findings which are relevant to this contention are "clearly erroneous." Rule 52(a), Federal Rules of Civil Procedure; *International Boxing Club v. United States*, 358 U.S. 242, 252; *United States v. Real Estate Boards*, 339 U.S. 485, 495-496; *United States v. Yellow Cab Co.*, 338 U.S. 338, 341-342.

appellant's burden is to establish *by evidence* "the facts peculiar to the business to which the restraint is applied; its condition before and after the restraint was imposed; the nature of the restraint and its effect, actual or probable." *Chicago Board of Trade v. United States*, 246 U.S. 231, 238; *White Motor Co. v. United States*, 372 U.S. 253, 261. Appellant's attempt to shift to appellees the burden of proving that the location clause as applied to dealers' use of discount houses is not an unreasonable restraint of trade is not supported by any authorities.* However, in this section we shall show that whatever the allocation of the burden of proof, the facts contained in the record establish the reasonableness of the location clause as applied to prevent dealers from using discount houses as additional outlets.

1. Dealers' use of discount houses as additional sales outlets would impair the franchise plan, causing the smaller dealers to quit and concentrating market power in larger dealers with discount house satellites.

Appellant recognizes *arguendo* in its brief that establishment of dealer-operated branch locations may impair the franchise system:

"We may concede *arguendo* that a proliferation of branch locations may impair General Motors' planned

* The only case cited by appellant, *United States v. Philadelphia National Bank*, 374 U. S. 321, is far afield. That case did not involve the burden of persuasion or proof. Rather, what the Court held was that it was the Court's duty "to simplify the test of illegality" and that where a merger "produces a firm controlling an undue percentage share of the relevant market, and results in a significant increase in the concentration of firms in that market", the merger will be enjoined unless there is evidence showing that it will not have anticompetitive effects. 374 U.S. at 362-363.

spacing of franchised dealers, as it contends, by depriving some individual dealers of a sufficient profit opportunity for them to bear the burdens imposed by the franchise contract in regard to, for example, servicing, showroom display, inventory, and periodic reports; and, further, that if each dealer were free to penetrate the territories of other dealers by the establishment of branch locations, the dealer's incentive to cultivate intensively his own territory might be reduced." (Br. 33-34)

Appellant goes on, however, to make an entirely theoretical argument which challenges the reasonableness of applying the clause to prevent sales through discount houses — as distinguished from dealer-operated branch locations — and asserts that it is "more restrictive on the dealers and less necessary to General Motors" (Br. 33).

Appellant's unsupported argument contradicts an explicit finding of the trial court:

"The use by Chevrolet dealers of discount houses or referral services as sales outlets for new Chevrolets defeats an important objective of the Chevrolet franchise system and is in derogation of the system. Such arrangements have a greater inimical effect on such system than the establishment of dealer-controlled branch sales offices. They can be established and quickly multiplied with no investment in facilities and with no overhead burden. The quality of their personnel is accidental. They are a way of accomplishing that which is directly prohibited by Paragraph 6 of the Dealer Selling Agreement." (Fdg. 25, R. 1388)

Appellant does not attack this finding as "clearly erroneous." The evidence which supports it is summarized in the remainder of this section.

As early as the 1920's, General Motors had learned from actual experience that too many outlets did not increase demand and, in the long run, weakened rather than strengthened its ability to compete for the available sales (R. 204-205). Accordingly, the Chevrolet plan of marketing is based upon the premise that dealers should be matched to areas of sales and service potentials. If dealers are free to establish additional sales outlets (whether at discount houses or at locations set up by the dealers themselves), all of Chevrolet's careful planning as to how best to compete against other makes of cars can be defeated by the haphazard actions of individual Chevrolet dealers. For that reason, the Dealer Selling Agreement specifically requires the written consent of Chevrolet before a dealer can establish an additional sales outlet (R. 213, 578). It is upon the basis of this provision that Chevrolet refuses to permit dealers to arrange for their cars to be sold at unapproved locations such as discount houses.

The establishment by dealers of unauthorized outlets at discount houses upsets the balance of dealer outlets matched to sales potentials at least as adversely as estab-

lishment of dealer-operated branch offices (R. 191-192).^{*} It is just as reasonable to prohibit dealers' unauthorized use of additional sales outlets at places called "discount houses" as to prohibit dealers' unauthorized use of sales outlets at places called "branch offices."

If the planning potential of the Los Angeles Metropolitan Area is sufficient to support 85 Chevrolet dealers (as Chevrolet's studies show it is), the introduction into the area of 23 additional outlets in the form of discount houses is bound to have an adverse effect on the dealers who are not using the discount houses. As the president of General Motors Corporation testified,

"Quite a few times in the past I have seen other organizations over-dealered in certain cities of the country. And they always end up in difficulty.

"I think it would be equally applicable here, because what this amounted to would be equivalent, the equivalent of appointment of a number of additional dealer outlets in this area" (R. 420).

If an area is overdealered by the establishment of discount house outlets the more powerful dealers with their

* The discount houses through which Chevrolets were sold were places of business performing merchandising functions in the sale of the dealers' Chevrolets (R. 33-35, 106-107, 170-173, 179-180). They advertised widely that Chevrolets could be purchased through them (R. 173-174, 1261-1291). In some instances, the dealers' Chevrolets were displayed for sale at the discount house (R. 179). In some, the discount house had authority to make the sale for the dealer (R. 171). Appellant refers to the discount houses as "sales agencies" of the dealers (Br. 22, 34).

discount house satellites will survive. The smaller dealers will fail or quit (R. 223-224).*

As a consequence, in some areas where Chevrolet needs a dealer to perform functions in aid of manufacturing operations and to provide convenient service and parts facilities, there will be only discount houses. This result is more harmful to the franchise system than a branch location operated by the dealer, as the trial court found (Fdg. 25, R. 1388). Discount houses depend on "floor traffic" and cannot make informed estimates of their future needs. They do not have service or parts facilities.

Moreover, in contrast to a dealer or a dealer-operated branch location, discount houses have no organized system for developing customers for Chevrolets so that General Motors may achieve a level flow of manufacturing and employment and thus hold down costs. Since discount houses do not try to sell Chevrolets, they would tend to sell the most popular make or model of a particular year. Indeed, they avoid even suggesting any make of car (R. 184-185).

* The Price Waterhouse & Co. study (discussed *infra*, pp. 31-38) shows, among other things, that it is the small dealer who will be hurt by the use of discount houses as additional sales outlets. Eleven of the fifteen dealers studied whose personnel complained in November 1960 to General Motors in Detroit had sales below the median in volume in 1960 in the Los Angeles Metropolitan Area — Barnett, Cone Bros., Cone Chevrolet, Erskine, Keown, Miller, Ostrom, S & J, Seaboard, Selman and Steves (R. 1229-1230). Owen Keown, a small dealer at Venice, California (671 passenger cars and trucks per year), who is located near a discount house through which Chevrolets were sold (Castle Sales, Inc. at More Department Stores), testified that if nearby discount houses were to reduce his sales by as little as 10 or 15 sales a month, he would not break even (R. 45, 1229).

And discount houses would have no competence for selling Chevrolet trucks, which is almost an engineering assignment (R. 351).

The existence of the discount house as a place of business where Chevrolets can be purchased threatens to dilute the sales potential of the nearby dealer regardless of the comparative prices. There is a psychology that at a discount house, merchandise can be purchased cheaper than anywhere else. As a dealer said,

"I believe a lot of people went into a discount store just because it had a sign up 'Discount House' and just willy-nilly bought a car without any knowledge as to what the car could be purchased for. Consequently our salesmen would lose the deal." (R. 191)

Other dealers complained that customers were being sold by discount houses before the dealers' salesmen had a chance to sell the customer (R. 156, 474).

Automobile sales are usually engendered on the basis of customer contact and discount houses were, for the dealer, additional sources of customer contact (R. 97-98, 420). Warren Biggs, a Chevrolet dealer who sold cars through discount houses, testified,

"The important point was that these locations were the basis of contact for the customer, and if there were a referral house three blocks away from me sending customers to a dealer 20 miles away from me, even though that dealer perhaps was not under-cutting me on price, the mere fact that the availability of the contact there for the customer was the important thing,

and I am speaking now from the dealer standpoint.”
(R. 98)

Appellant expresses concern about “the high degree of concentration at the [automobile] manufacturers’ level” and urges that it should not be transmitted to the retail level saying, “While there are few manufacturers, there are many dealers, and competition at the dealer level should be preserved” (Br. 23). The findings and evidence show, however, that the way to preserve competition and avoid concentration at the dealer level is to uphold the location clause, not weaken it. Thus the district court found:

“The failure to restrict the use of discount houses or referral services as outlets for new Chevrolet cars would, in time, cause the withdrawal from business of a substantial number of Chevrolet dealers.” (Fdg. 23, R. 1386)

This finding is supported by uncontradicted evidence showing that if appellant were to succeed in invalidating the location clause as applied to dealers’ use of discount houses as sales outlets, the inevitable result would be the destruction of small dealers. The studies of Price Waterhouse & Co. show this (R. 223-224), and experience in the automobile industry has shown that too many outlets cause mortality among dealers (R. 74, 77, 359).

Ultimately, General Motors and other automobile manufacturers would be “left to the device of trying to develop individual customers or markets” in the areas where small dealers were driven out because, as shown above, discount houses cannot perform functions indis-

pensible to the manufacturing and marketing process (R. 346). Every automobile manufacturer has a franchise system comparable to General Motors' system (R. 387) and all the evidence is contrary to appellants' unsupported assertion that excision of the location clause "would not endanger the survival of the franchise system in the automobile industry."

2. The location clause does not lessen price competition.

In this Court, appellant argues that the location clause prohibiting dealers' use of discount houses as sales outlets deprives Chevrolet customers of price competition in Orange County and elsewhere (Br. 21-23, 29). This contention is made without support in the evidence.* Indeed, at no time during the trial did appellant offer any evidence of prices charged by any dealers in direct sales vis-a-vis the prices charged by dealers in sales through discount houses.**

* Appellant's failure to produce any evidence on this point is perhaps explained by the comment of its counsel at the commencement of the trial:

"We don't care whether or not the discount houses sold for more or less than the Chevrolet dealers. Unfortunately, we got involved in the prior litigation and had a big to-do about that point which is not really a part of our case and which we propose to eliminate, insofar as we can, from this case." (R. 28)

** In offering in evidence letters and wires of complaint written by dealers and salesmen containing hearsay statements that Chevrolets could be purchased for less through discount houses, counsel for appellant stated that the letters and wires were offered "to show the state of mind of the writer" and "not to establish the fact that the discount houses were, in fact, selling for less than the dealers." Upon the basis of this statement, the letters and wires were admitted in evidence for that limited purpose (R. 295).

General Motors offered in evidence a study by Price Waterhouse & Co. of the prices ordinary retail customers paid for Chevrolets when buying directly from the seven dealers who sold through discount houses as compared with prices paid when buying from those dealers through discount houses. The study concluded that "there was no appreciable difference between the prices paid by customers who purchased Chevrolet passenger cars from a dealer through a discount house or referral service and the prices paid by ordinary retail customers who purchased directly from that dealer."* (R. 224) This is the only evidence in the record on the basis of which the dealers' sales through discount houses can be compared with prices on direct sales by dealers.

The uncontradicted evidence also is that Chevrolet dealers "almost always sold at a discounted price from the manufacturer's suggested list price, which, as a matter of law, has to be stated and affixed to each car that we ship." (R. 361) There was no evidence that there had been a suppression of price competition. Contrary to appellant's argument in this Court, the trial court found that:

"Restricting dealers from selling through discount houses or referral services does not limit price competi-

* General Motors offered this evidence in an attempt to exclude from the case the illusion (unfounded as to marketing of automobiles) that discount houses generally sell for less. The price study was an enormous task requiring 10,000 hours of the time of Price Waterhouse & Co. partners and employees. A Price Waterhouse & Co. partner testified, "We would have liked to have studied the whole 76 [dealers who were in business during all of 1960] but the time requirements to purify all of these data so that you had a decent basis of comparison would have been staggering." (R. 242)

tion. All dealers are free to sell at any price to any customer anywhere and the number and locations of Chevrolet dealers in the Los Angeles Metropolitan Area offer convenient opportunity and adequate choice to potential customers for Chevrolet automobiles to shop the dealers in the area for the most competitive deal. The number and proximity to each Chevrolet dealer of other Chevrolet dealers as well as dealers in rival makes gives the price-conscious purchaser the freedom and ability to pit the price of one dealer against the prices of the others and to give his patronage to the dealer who offers him the best price." (Fdg. 30, R. 1389)

- (a) Differences in retail selling prices to the public cannot be inferred from differences in average gross profits per car.

The premise of appellant's economic argument regarding the location clause is that ordinary retail customers paid Orange County dealers a higher price per car than was paid by the same type of customer to Los Angeles dealers. Building on this premise, appellant contends that the location clause suppresses price competition by prohibiting Los Angeles dealers from selling through discount houses in Orange County. Appellant says that

the Orange County dealers were "high-priced" (Br. 29).^{*} Basic to this proposition is the misconception that customers get better automobile bargains through discount houses than directly from dealers. Unable to find in the record any direct proof for this idea, appellant has fastened upon mistaken inferences drawn from average gross profit figures in dealers' financial statements.

Appellant made no attempt during the trial to offer any evidence regarding relative customer prices. In fact, it contended that such prices were not germane to the issues (*supra*, p. 30). Now in its brief appellant seeks to rest its argument upon the fact that the dealers' financial statements show that the average gross profit per car realized by Orange County dealers was \$315 compared to \$280 for dealers within the City of Los Angeles. Appellant says this comparison is valid because it assumes that since "all Chevrolet dealers buy from the manufacturer at the same price, differences in retail selling price may be inferred from differences in gross profits." (Br. 5) This is erroneous because dealers receive varying bonuses and allowances.

* No inference that a dealer is "high-priced" can be drawn from the fact that there are sales through discount houses in his neighborhood. Actually, discount house selling was widely dispersed throughout the metropolitan area. More than 70% of the Chevrolets sold through discount houses in 1960 in the Los Angeles Metropolitan Area were sold through discount houses located outside Orange County. The other 30% were sold through discount houses which had locations both in and outside Orange County (six in Los Angeles County, five in Orange County and one in San Bernardino County). GX 212 does not show the county in which the sales through these discount houses were made but, since only five of the twelve locations were in Orange County, it is probable that less than half of this 30% (no more than 220 Chevrolets) were made through Orange County locations (R. 876-1227).

Appellant errs in stating that Orange County Chevrolet dealers realized \$315 average gross profit per Chevrolet in 1960. Two of the ten Orange County Chevrolet dealers (Williams and Miller, GX 286, 258, unprinted) were also Oldsmobile dealers — a fact which appears on the face of their financial statements. Appellant has obtained the \$315 figure by including the gross profits these two dealers realized on Oldsmobile sales. Since Oldsmobile's price range is substantially higher than Chevrolet's, the gross profits on Oldsmobiles would tend to be greater than on Chevrolets. Hence the inclusion of Oldsmobile sales in appellant's calculations serves to inflate these dealers' average gross profits per car. The magnitude of appellant's error cannot be calculated from the financial statements but the correct figure is appreciably less than \$315.

There are other fundamental errors in appellant's use of the financial statements. As Price Waterhouse concluded and as is clearly shown by the record, average gross profit per car figures taken from dealers' financial statements are not intended to and cannot be used to determine the relative prices paid by ordinary retail customers.* They show how the dealer made out — not how the ordinary retail customer made out (R. 248). This error by appellant can most simply be demonstrated by comparing the dealer financial statements (GX 219, 223, 226, 234, 243, 268, 285, unprinted) and the price

* In making its retail price study, Price Waterhouse concluded that it was necessary to make a detailed analysis of the individual dealer and customer invoices and dealer sales journals in order to obtain any meaningful comparison of the prices paid by the ordinary retail customers (R. 251-253).

study made by Price Waterhouse & Co. based on a detailed analysis of the sales journals and other records of the seven Chevrolet dealers which were responsible for 96% of the sales through discounts houses (R. 234, 876-1227).^{*} Two of the dealers studied were Bruder and West Adams. Using appellant's gross profit per car comparison, it would appear that ordinary retail customers buying from Bruder paid an average of \$37 less markup per car than such a customer buying from West Adams (GX 223, 285, unprinted). In fact, Price Waterhouse found just the opposite to be true, as shown by the arithmetic mean averages in GX 212 (R. 958, 1226). Bruder sold to its ordinary retail customers at an average of \$13 more markup per car than did West Adams — a variance of \$50 per car.

Again, using appellant's gross profit per car comparison, it would appear that ordinary retail customers buying from Biggs paid an average of \$68 per car more than such customers buying from Courtesy (GX 219, 234, unprinted). Yet Price Waterhouse proved in the same manner that ordinary retail customers buying from Biggs paid only an average of \$11 more than such customers buying from Courtesy — a variance of \$57 per car (R. 918, 1135).

^{*} The "mark-ups" used in the Price Waterhouse study were mark-ups over "dealer invoice" (R. 876-1227). "Dealer invoice" was used because it is the only constant base for determining how the *customer* fared. The gross profits figures calculated from the dealer financial statements show how the *dealer* fared because they are based on the dealer's ultimate costs for his cars after reflecting various incentive bonuses and allowances later credited to him (R. 99, 248).

Both of these variances are greater than the claimed difference of \$35 between the average gross profits per car of the Orange County dealers and those located in the City of Los Angeles. When the Price Waterhouse witness was asked whether this type of variation could be as much as \$100, he testified: "It could be any amount. Any reasonable amount." (R. 252)

The use of average gross profits per car as calculated from the dealers' financial statements to measure prices to ordinary retail customers is misleading for a variety of reasons. One is that gross profit figures in the financial statements include "special circumstance sales"* such as sales of fleets to commercial users. The Price Waterhouse analysis showed that among the seven dealers studied this type of sale varied from 10% to 40% of the total dealer volume (R. 251). Since this type of sale is usually made at lower prices than sales to ordinary retail customers, using a comparison based on average gross profits per car would make it appear that in all instances the dealers with few fleet sales charge their ordinary retail customers higher prices than dealers with

* "Special circumstance sales" are those to a "buyer whose status, position or purchasing power at the time gave that buyer a purchasing advantage * * * * which ordinary retail customers did not have." (R. 235) They include sales of fleets of Chevrolets to the state, counties, municipalities, car leasing corporations, car rental corporations, industrial corporations and other users of "fleets" of cars.

a great number of fleet sales.* The magnitude of this fluctuation is persuasive evidence that the proportion of "special circumstance sales" varies so significantly from dealer to dealer that no meaningful conclusions can be drawn from any average gross profit per car analysis.

Another difficulty is that the gross profit figures include special dealer incentive bonuses and allowances. The Price Waterhouse witness testified, "Now, if a customer purchased a Corvair on April 30 and paid, just to take a rough figure, \$2,600, and another customer purchased the same car the next day and paid the same amount, each customer would have made the same deal. But because of an incentive plan that came into being on May 1 the dealer made a different gross profit on those sales." (R. 248) Thus, if one dealer sold a proportionately greater number of Corvairs during the incentive period than did another, the first dealer's average gross profit per car would indicate that customers who bought from him fared less well than customers who bought from the second dealer, while in fact the prices paid by both groups of customers might have been identical.

Another example of this same problem is indicated by the testimony of Warren Biggs that the factory pays each dealer 5% of the factory list price on all hold-over

* The general magnitude of this type of variation can be illustrated from the seven dealers whose sales were studied by Price Waterhouse & Co. Using the average gross profit approach, West Adams appears to be \$59 per car higher than Courtesy (GX 234, 285, unprinted). However, what their financial statements do not reveal is that 83% of West Adams' non-discount house sales were to ordinary retail customers whereas only 55% of Courtesy's non-discount house sales were to ordinary retail customers (R. 1135, 1226).

models (R. 99). Thus, if one dealer sells few hold-over models and another sells many, all at identical prices, the customers will have fared equally well but the average gross profit per car comparison, used as a basis for comparing prices, would make it appear that the dealer receiving the larger hold-over allowance sold for less.

In short, comparisons of average gross profits per car are meaningless for the purpose of determining whether the location clause suppressed price competition.

(b) The arrangements between dealers and discount houses suppressed rather than promoted price competition.

Rather than promoting price competition, arrangements between dealers and discount houses in many instances inhibited both interbrand and intrabrand competition. Dealers Diversified Services Inc. operating at the Fedco Stores, the largest discount house automobile business in the area, had a "one-price policy" (R. 183-184). Under uniform written agreements, the two Chevrolet dealers doing business with Dealers Diversified Services Inc. were obligated to sell customers referred by the discount house at the same specified price over dealer's invoice cost (Fdg. 32, R. 1390; R. 183-186). *Cf. Simpson v. Union Oil Co.* 377 U.S. 13. Identical forms of contract were used by Dealers Diversified Services Inc. in referring customers to Ford, Plymouth and Rambler dealers (R. 183, 1293-1294).

The adverse effect of these arrangements upon price competition is shown by the fact that in 1960 there were only four Chevrolets sold through Dealers Diversified

Services Inc. at the Fedco Stores at \$165 or less* over dealer's invoice cost — not even 1% of the 594 sales through D.D.S.I. — whereas 18.7% of the 1243 direct sales to ordinary customers made by the dealers concerned were at \$165 or less over dealers' invoice cost (R. 876-1227).

Fleet Sales Co. (the second largest discount house automobile operation in the area) also had a "one-price" arrangement with each of the three Chevrolet dealers with which it did business. These dealers were obligated to quote the "pre-arranged prices" on a "take it or leave it" basis and could not negotiate lower prices with the referred customers even though the failure to do so might result in the loss of the sale (R. 187-189).

It is significant that 60% of all of the Chevrolets sold through what appellant calls "an alternative method of merchandising" (Br. 24) were sold through these two discount houses operating under "one-price" plans with dealers (R. 876-1227).

(c) There is no lack of price competition available for Orange County customers.

Orange County is not a fenced-off portion of the Los Angeles Metropolitan Area as appellant's argument implies.** Driving by automobile, it is difficult to know

* The figure \$165 is used here because appellant used it in its Jurisdictional Statement (J.S. 3).

** Discount houses were not concentrated in Orange County. Of the discount house outlets involved in this case, 18 were located in Los Angeles County and 5 in Orange County. Of the 15 dealers shown on GM Exhibit A who complained to General Motors in Detroit about discount house selling, 9 were located in Los Angeles County — Barnett, Drew-Jones, Erskine, Gledhill, Harbor, Keown, Ostrom, S & J and Seaboard (R. 1232-1239).

when the jagged line between Orange County and Los Angeles County has been crossed. The Los Angeles Metropolitan Area is what its name implies — a single great urbanized and industrialized area. Dealers' television, radio and newspaper advertising reaches potential customers throughout the Metropolitan Area (R. 48-49).

It is common knowledge that automobiles are the principal means of public transportation in the Los Angeles Metropolitan Area. With the highly developed system of freeways interconnecting every part of this area, to drive 15 miles is no distance at all. We have already pointed out the distortions inherent in the use of dealers' gross profits per car figures as a means of attempting to determine comparative prices to ordinary retail customers. But even if such a method as appellant suggests is used, within a 15 mile radius of 8 of the 10 Chevrolet dealers in Orange County in 1960, there was an average of 6 Chevrolet dealers each with an average gross profit per car at or below \$280, the City of Los Angeles average as calculated by appellant. (GX 210, 211, 213-286, unprinted.) If these figures were the key to prices to ordinary customers (which they are not), the price conscious Orange County resident would not be lacking an opportunity to shop both in and near Orange County.

Moreover, many Orange County residents work in Los Angeles County or live conveniently close to it and they would have multiple opportunities to shop at many of the 85 Chevrolet dealers located in the metropolitan

area.* The uncontradicted evidence is that the seven dealers who sold through discount houses sold Chevrolet's directly to customers at about the same price that they sold through discount houses (R. 1334). Using the Santa Ana Freeway, the Orange County resident more interested in the lowest obtainable price than in neighborhood convenience could easily trade with these dealers or with many others in Los Angeles County. In most instances, customers purchasing through discount house outlets were required to travel to one of the seven dealers using such outlets.

While appellant apparently sees advantage in the fact that discount houses made all makes of cars available "without need for 'bargaining' . . . at stated low prices" (Br. 24), the record shows that the discount house customer would have benefited from the bargaining that typically takes place with a Chevrolet dealer. Discount houses charged the customer whatever he would pay. An examination of GX 212 (R. 877-1227), the basis of the Price Waterhouse & Co. price study, shows that numerous sales through discount houses were made at a mark-up of more than \$300 over dealer invoice — some

* The 1960 United States Census shows that approximately 25% of the employed residents of Orange County worked in Los Angeles County. The 1960 Census also shows that the vast majority of all Orange County residents lived in the western part of the county which is adjacent to Los Angeles County. (U. S. Bureau of the Census, *U. S. Census of Population and Housing*: 1960.)

more than \$400 over dealer invoice.* At discount houses where price fixing schemes were theoretically in operation, the prices did not stay fixed and the customers were charged higher prices.**

The realities of purchasing through discount houses as disclosed by the evidence bear little relationship to the glowing description of such purchasing in appellant's brief.***

A customer dissatisfied with the prices or other competitive efforts of the dealers in his neighborhood will shop and buy in areas beyond. His opportunity to do so is guaranteed by the Chevrolet franchise plan, since all dealers are free to sell to anyone anywhere at any price. There is vigorous price competition in the Los Angeles Metropolitan Area, including Orange County, without the necessity of knocking out the keystone of the Chevrolet franchise system — the franchise location clause as ap-

* See, for example, the prices under the column "Mark Up" for "Type of Sale" showing sales through discount houses at \$407, \$395, \$388, \$383, \$371, \$367, \$364, \$349, \$343 over dealer invoice as compared with the median mark-up of \$220 for direct sales by the seven dealers studied (R. 1016, 1109, 1057, 1059, 959, 1154, 1009, 881, 985, 1149, 1206).

** See, for example, the prices under the column "Mark Up" for Type of Sale No. 2 (sales through discount houses) for dealers Biggs, Bruder and West Adams. Some sales were for \$468, \$440, \$424, \$422, \$408, \$385, \$376, \$374, \$358, \$357, \$349, \$347, \$344 over dealer invoice (R. 912, 916, 1207, 1206, 1205, 910, 906, 920, 878, 913, 950, 1205, 881, 880, 885) as compared with the median mark-up of \$220 for direct sales by the seven dealers studied.

***One dealer salesman who handled discount house referrals testified that under the arrangements with the discount house he was "to be very brief, very short, almost to the point of rudeness to the customer. . . . In other words, it was a gimmick type of selling. I was instructed to be exceedingly brief and overbearing in my attitude." The arrangement also was "that there be no dickering about the price" (R. 174).

plied to dealer-operated outlets and to dealers' use of discount houses as sales outlets.

3. The trial court's finding that the franchise location provision promotes competition and benefits the purchasing public is supported by uncontradicted evidence.

The trial court found,

"The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other." (Fdg. 33, R. 1390-1391)

This finding and the trial court's opinion on the same subject (R. 1369) are not challenged by appellant as being "clearly erroneous." They are supported by uncontradicted evidence.

Appellant concedes the reasonableness and lawfulness of restrictions "that on balance promote competition by enabling a company to compete effectively with other brands through an efficient and economical distribution system without unduly restricting competition among its distributors." (Br. 19) We have shown that the franchise location clause is necessary not only to the efficient distribution of the product but also to the efficient manufacture of the product (*supra*, pp. 12-16). Indeed, the Chevrolet

plan of marketing (integrated with the manufacturing operations and used to carry out the philosophy that the properly serviced car makes for satisfied customers who are repeat customers) makes for better cars at lower prices, which is the goal of competition and the measure of its vigor. As the trial court said in its opinion:

"The evidence clearly discloses that Chevrolet dealers are in vigorous competition with each other in discounting the prices in the sale of Chevrolets. To insist that a manufacturer and distributor of automobiles is not permitted to select and set up standards for the operation of his dealers upon the theory that it was an unreasonable restraint of competition would result not only in the destruction of the competition which benefits the public but would probably eliminate the distributor system entirely.

"Without such a system it would no doubt be impossible for a large manufacturer to plan its program for new cars each year which entails preparation and planning far beyond the concept of a person not familiar with the business." (R. 1369)

Appellant argues that the location clause lessens competition in the automobile manufacturing industry by decreasing the feasibility of new entries. Appellant states that the destruction of the location clause "could presage the emergence of alternative forms of automobile distribution and increase the feasibility of new entry into automobile manufacturing" (Br. 24-25). This is pure speculation without a shred of evidence to support it. No present or prospective manufacturer of automobiles

is required to use a franchise system of marketing and a "new entry into automobile manufacturing" is free to market his product through discount houses if he so chooses.

To achieve success in the manufacture and distribution of automobiles is a complex problem. In solving this problem, all automobile manufacturers show by their conduct that they believe that the franchise system of marketing — with the right number of dealers in the right locations — is indispensable (R. 387). Competition would be impaired, not enhanced, by knocking the keystone out of the system.

II. IN TAKING ACTION TO PREVENT DEALERS FROM USING DISCOUNT HOUSES AS ADDITIONAL OUTLETS, GENERAL MOTORS WAS ACTING INDEPENDENTLY AND NOT PARTICIPATING IN ANY PLAN OF THE DEALERS.

The argument that General Motors committed a *per se* offense by conspiring with its dealers to prevent sales through discount houses is, as we have said, all but abandoned in this Court. What remains of the argument is very narrow indeed, and is flatly contradicted by the findings and the evidence.

In its brief, appellant recognizes that a conspiracy cannot be proved merely by establishing that (1) a number of dealers discussed the problem with each other and called upon General Motors to prevent sales through discount houses (*arguendo*, a practice that General Motors was entitled to forbid its dealers to engage in) and (2) that General Motors applied the location clause to pre-

vent dealers' use of discount houses as additional outlets and thereby facilitated parallel behavior by its dealers (assuming, as appellant does in this portion of the argument, the validity of the clause) (Br. 37-39). Otherwise, as appellant points out, all vertical restrictions upon distributors would become *per se* illegal conspiracies (Br. 38).

Having made these concessions, appellant is left to argue that the dealers entered into a horizontal conspiracy and General Motors joined it. Appellant says the dealers agreed to exert pressure on General Motors to prevent sales through discount houses, and that they thereafter implemented and enforced their agreement (Br. 39-41).*

Then, making a great leap, appellant says that General Motors responded to this pressure and "participated in a single conspiracy" with the dealers (Br. 42). Whether General Motors did so is a question of fact, and on that question the findings, supported by substantial evidence, are directly to the contrary.

Consistently with its oral opinion (R. 1370-1371), the trial court found that, in taking action to prevent dealers from selling through discount houses, General Motors was not joining the dealers in some project or

* The only agreement among the dealers found by the trial court was an agreement of members of Losor Dealers Association present at a November 10, 1960 meeting "to write letters or send telegrams and attempt to have their salesmen write letters or send telegrams to General Motors asking that something be done regarding the (discount house) situation." (Fdg. 35, R. 1391) No one from General Motors attended this meeting and General Motors was not a party to the agreement.

program but was solely motivated by a desire to preserve its plan of marketing:

"The sole motivation for the announced policy and for the instructions given the General Motors personnel was the preservation of the General Motors franchise system, which the Dealer Selling Agreements were designed to effectuate. The General Motors executives in Detroit regarded the arrangements made by dealers for the sale of new General Motors automobiles through discount houses and referral services as violative of their individual Dealer Selling Agreements. Said executives adopted the policy and issued the instructions to the General Motors personnel with respect to discount house and referral service arrangements on the basis of their long experience in the marketing of automobiles and their conclusion that the practice of the use by dealers of discount house or referral service outlets did not give General Motors the retail representation it needed and would in time result in the destruction of the General Motors franchise system." (Fdg. 37, R. 1392-1393)*

In determining that General Motors' action against dealers' sales through discount houses was taken inde-

* General Motors' vice president in charge of distribution, who was responsible for the stand taken by General Motors with respect to dealers' use of discount houses as sales outlets, testified,

"We wanted our dealers to understand that we regarded such arrangements whereby they were regularly selling cars through the medium of these discount houses, in our view, that represented the establishment of another location and that, under those circumstances, we would regard it as a violation of the Dealer Selling Agreement." (R. 394)

pendently and not in collaboration with the dealers or the dealer associations, the court found that "General Motors acted independently in furtherance of its own interests in procuring the conformance of individual Chevrolet dealers to the obligations of their Dealer Selling Agreements and thereby preserving the Chevrolet franchise system" (Fdg. 45, R. 1396). It found further that:

"Such action [against dealers' sales through discount houses] was taken independently and unilaterally by General Motors with respect to each Chevrolet dealer individually, to obtain compliance by each dealer with the obligations he had undertaken in his Dealer Selling Agreement and such action was not taken by General Motors by combination, conspiracy or concert of action with Chevrolet dealers or any of them or with defendants Losor, Foothill or DSI or any of them." (Fdg. 45, R. 1396)*

The evidence in support of these findings is overwhelming. We have previously summarized the extensive

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- * That the District Judge understood exactly the question of fact he was required to decide is shown by his following comments:

"THE COURT: What I am getting at, counsel, is this, to enlighten myself, any person who has a legal right might find himself in jeopardy if a noise has been made over on the other side of the street, if he suddenly wakes up and enforces that right, the fact that people are clamoring for it is the proof. What you are saying, in effect, is that that makes him a member of the conspiracy.

* * * * *

"MR. BLECHER: It is a delicate line between —

"THE COURT: The line is delicate between joining a conspiracy and taking independent action, or action that seems parallel, but it is done on your own volition, * * *"
(Rep. Tr., June 18, 1964, p. 510, lines 12 to 18; p. 511, lines 3-6, unprinted).

testimony showing (1) the importance to General Motors of the Chevrolet plan of marketing (*supra*, pp. 12-22), and (2) the adverse effect on that plan of permitting dealers to use discount houses as additional sales outlets (*supra*, pp. 22-30, 38-39). This testimony emphatically shows that there were compelling reasons for General Motors to take steps which it regarded as essential for the preservation of its marketing plan without the need for any outside "pressure" (R. 343-345).

General Motors' vice president in charge of distribution testified that the corporation's stand was taken without consultation with any Chevrolet dealers or dealer associations (R. 365). As the executive responsible for the stand taken, he explained its basis as follows:

"Q. Why did General Motors adopt the policy that it did adopt with respect to dealers' use of discount houses?

"A. We adopted it for only one reason. We felt that it would have a very serious and detrimental effect on the operation of General Motors Corporation, and that it eventually would seriously affect the sale of Chevrolet cars and possibly other General Motors products, in the event that the practice was taken up extensively among the other lines * * * and if it did we felt this would destroy the very carefully planned and constructive system of distribution that we had worked for so many years to establish, and in which we had such a very substantial investment of time, effort and money, to bring our operation to the degree of success that we enjoy today." (R. 371-372)

The independence of General Motors' action concerning sales through discount houses is also shown by the testimony of the Los Angeles Chevrolet zone manager as to his implementation of that policy. In response to the trial court's question, he testified,

"THE COURT: What were you intending to do? What was your object?

"THE WITNESS: My object was to carry out the policy I had been given by the corporation and by Chevrolet, and that was to get to the dealers to show them there was a possible violation of the selling agreement here and try to persuade them to stop it.

"I went back to them again in these cases where information had been given to me it was still going on. I was interested in completing this job, carrying out the corporation's and Chevrolet's policy.

"I was interested in it from my standpoint and from the standpoint of my Los Angeles zone." (R. 471)*

Appellant's argument that General Motors acted in response to "pressure" from the dealers is confined to one page and six lines of its brief and appellant cites no evi-

* In seeking to persuade the dealers rather than threatening termination of their contracts, the zone employees followed the General Motors policy of working with the dealers "through persuasion" and employing termination only as "the last resort" (R. 371). Good dealers are hard to come by (R. 151, 323).

dence which supports it.* Contrary to appellant's implication (Br. 31), the fact that General Motors executives acted after they received letters and wires from dealers in November 1960 is no proof that the corporation acted under pressure. The General Motors executives with power to act did not know there was a problem until they received the letters and wires (R. 362-363, 402). Nor is the testimony of General Motors' president that in the absence of dealers' complaints, he would not have acted "at that particular time" (Br. 9) any evidence that General Motors acted under "pressure," because except for the dealers' complaints, he would not have known "at that particular time" that there was a problem (R. 402).

Appellant concedes that the independence (and thus the lawfulness) of General Motors' action would not be compromised by the fact that "a number of dealers called upon General Motors to prevent sales through discount outlets" (Br. 37). Why then should the independence of General Motors' action be compromised by the fact that a group of dealers agreed to call upon General Motors to prevent such selling? In whatever form the request comes to General Motors, it should not paralyze the corporation from reaching an independent decision and taking independent action to enforce its lawful contracts with its dealers.

* Complaints were made to General Motors officials in Detroit in November, 1960, by dealers and salesmen from only 15 of the 85 dealerships in the Los Angeles Metropolitan Area, 9 in Los Angeles County and 6 in Orange County. It seems unlikely that 15 Chevrolet dealerships "pressured" General Motors into adopting a nationwide policy concerning dealers' use of discount houses as sales outlets and into communicating it to all 15,000 General Motors dealers in the United States.

In arguing that the finding that General Motors acted "unilaterally and independently" is erroneous as a matter of law (Br. 42), appellant relies upon *Interstate Circuit, Inc. v. United States*, 306 U.S. 208. The critical difference between this case and *Interstate Circuit* is that the action taken there by a group of motion picture distributors in response to the request from an exhibitor chain was so unusual in character and so unexplained as to rule out the possibility that it was taken independently. In *Interstate*, the exhibitor chain playing first run pictures contemplated and invited common action among the distributors by addressing a joint letter to them in effect demanding that they license their subsequent runs to other exhibitors in a manner which "involved a radical departure from the previous business practices." The distributors carried into effect these unusual demands with "singular unanimity of action" and they failed to call as witnesses any of the officials who were in a position to know of the existence or non-existence of the alleged conspiracy (306 U.S. 221-223). The trial court found that the distributors had agreed and conspired among themselves and this Court affirmed, holding

"It taxes credulity to believe that the several distributors would, in the circumstances, have accepted and put into operation with substantial unanimity such far-reaching changes in their business methods without some understanding that all were to join, and we reject as beyond the range of probability that it was the result of mere chance." (306 U.S. at 223)

In affirming, this Court held further that even absent agreement of the distributors among themselves, a finding

of conspiracy was justified because "in the circumstances of this case" (as shown by the above described evidence) "knowing that concerted action was contemplated and invited, the distributors gave their adherence to the scheme and participated in it" (306 U.S. at 226).

In this case, the circumstances are altogether different. Here, the dealers asked General Motors alone to do something which it had a right to do — enforce the location clause of the franchise agreement. The action taken by General Motors was not a radical departure but was entirely consistent with its desire to preserve its franchise plan which had been developed over a forty year period. The responsible General Motors officials all testified at length to facts showing that the action was taken independently by General Motors for its own persuasive reasons of business policy. The trial court's finding that General Motors acted independently was not speculation; it was what substantial and uncontradicted evidence showed. The District Judge heard witnesses who are probably as well informed as anyone in the automobile industry testify on this precise point and he believed them.

Appellant cites *United States v. Parke, Davis & Co.*, 362 U.S. 29 (Br. 41-42), but that analogy is "misleading" and "deceptive" here, just as it was in *White Motor Co. v. United States*, 372 U.S. 253, 266, 268 (concurring opinion). The fundamental difference is that the individual vertical agreements spelled out by the Court in *Parke, Davis* were illegal *per se* because they involved resale price maintenance in the absence of the statutory exception (362 U.S. 45-47). As a result, the "under-

standings" between manufacturer, wholesalers, and retailers in *Parke, Davis* created a combination to achieve an unlawful purpose — the enforcement of the underlying illegal vertical price-fixing agreements.

In contrast, here General Motors was seeking to persuade Chevrolet dealers to comply with the location clause which appellant, in its conspiracy argument, assumes, *arguendo*, was valid (Br. 37). Moreover, as the District Court found, General Motors was acting independently. If General Motors cannot enforce a lawful key clause of the Dealer Selling Agreements because it receives complaints which its dealers have agreed to make, then such dealers would have the power to nullify that clause of the agreements. Neither *Parke, Davis* nor any other precedent requires or supports such a result.

Whether there was joint action or independent action is a question of fact. *Theatre Enterprises v. Paramount*, 346 U.S. 537, 542. Here, the trial judge has decided that issue on the basis of substantial evidence. Appellant's assertion, contrary to the trial court's findings and unsupported by evidence, that General Motors "participated" in what appellant calls the dealers' "collusive effort" (Br. 41-42) does not make it so. It is an attempt to have this court try *de novo* an issue of fact which has been tried and as to which the trial court's findings are not "clearly erroneous." In *United States v. Real Estate Boards*, 339 U.S. 485, 495-496, this Court said,

"It is not enough that we might give the facts another construction, resolve the ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent. See *United States v. Yellow Cab Co.*, 338 U.S. 338, 342; *United States v. Gypsum Co.*, 333 U.S. 364, 394-395. We are not given those choices, because our mandate is not to set aside findings of fact 'unless clearly erroneous.' "

CONCLUSION

For the foregoing reasons, the judgment of the District Court should be affirmed.

Respectfully submitted,

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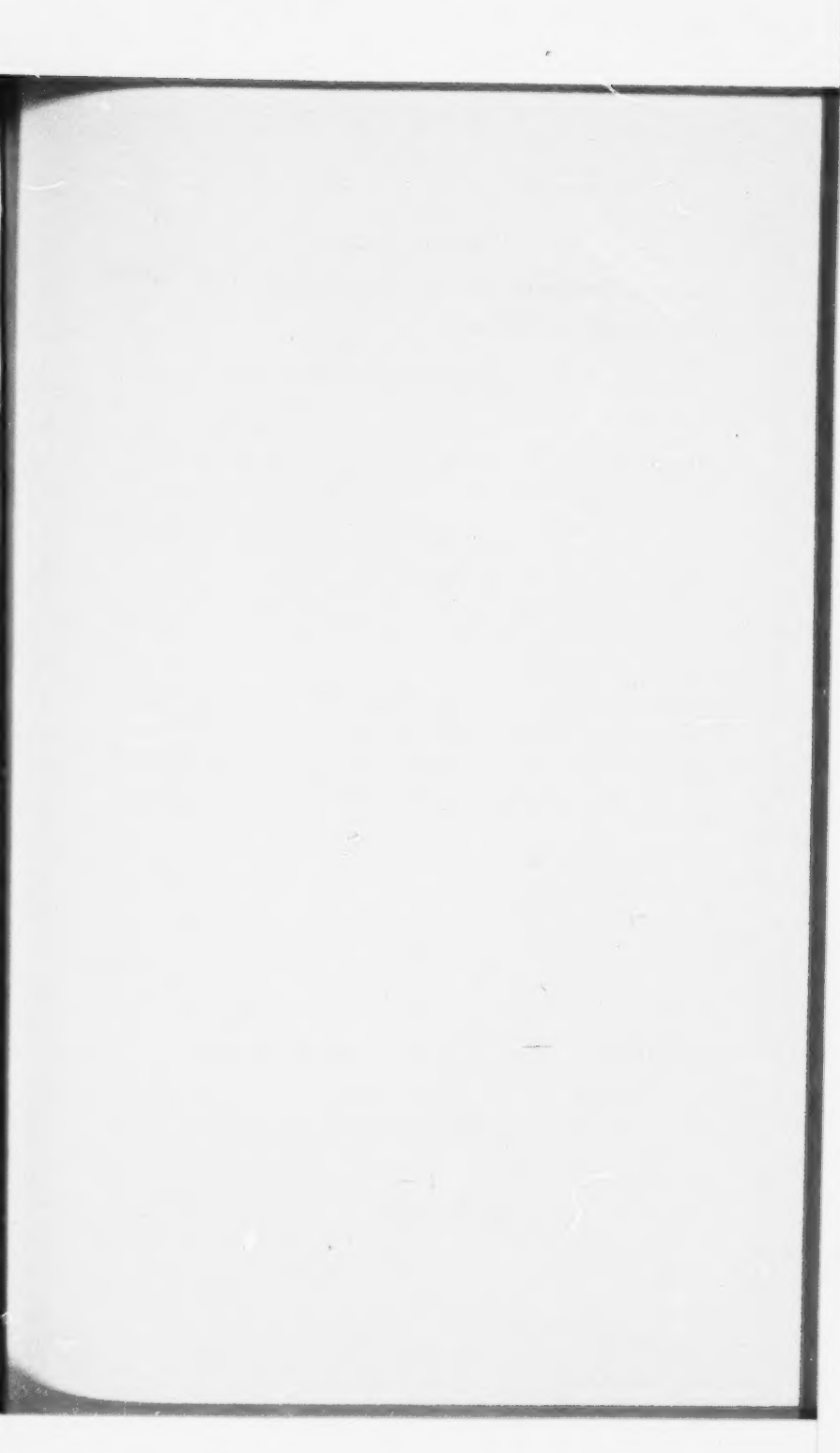
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November 1965





Supreme Court of the United States

On Petition for a Writ of Habeas Corpus

UNITED STATES OF AMERICA

**GENERAL MOTORS CORPORATION, LOANER CHEVROLET
DEALERS ASSOCIATION, DEALERS' SERVICE, INC.,
AND FOOTHILL CHEVROLET DEALERS ASSOCIATION**

**On Appeal from the United States District Court for the
Southern District of California, Central Division**

**BRIEF FOR APPELLEES, LOANER CHEVROLET
DEALERS ASSOCIATION, DEALERS' SERVICE,
INC., and FOOTHILL CHEVROLET DEALERS
ASSOCIATION**

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1965

No. 46

UNITED STATES OF AMERICA,

Appellant,

vs.

GENERAL MOTORS CORPORATION; LOSOR CHEVROLET
DEALERS ASSOCIATION; DEALERS' SERVICE, INC.;
AND FOOTHILL CHEVROLET DEALERS ASSOCIATION,

Appellees.

On Appeal from the United States District Court for the
Southern District of California, Central Division.

**BRIEF FOR APPELLEES, LOSOR CHEVROLET
DEALERS ASSOCIATION, DEALERS' SERVICE,
INC., and FOOTHILL CHEVROLET DEALERS
ASSOCIATION**

INTRODUCTION

This brief is on behalf of the appellees Losor Chevrolet Dealers Association, Dealers' Service, Inc., and Foothill Dealers Association (hereinafter respectively, "Losor", "DSI" and "Foothill" or the "dealer associations").

Said appellees adopt the brief of appellee, General Motors Corporation, supplemented, however, by this brief.

The dealer associations accept the sections of appellant's brief concerning "Opinion Below," "Jurisdiction,"

and "Statute Involved," but disagree with appellant's statement concerning "Questions Presented." As will be shown subsequently, no question concerning the dealer associations was presented to this Court in either appellant's Notice of Appeal or its Jurisdictional Statement. Accordingly, under this Court's rules, no question concerning these appellees is before this Court. As will also be shown, even if appellant had presented this Court with a question concerning these appellees, the record and the law both would require affirmance of the District Court's decision that these appellees had not violated the Sherman Act.

STATEMENT

Each of the dealer associations is a non-profit California corporation. Membership in Losor consists of Chevrolet dealers in Los Angeles and Orange Counties, California; in DSI, of Chevrolet dealers in Los Angeles County, California; and in Foothill, of Chevrolet dealers in Los Angeles, Riverside and San Bernardino counties, California. (Fdgs. 4, 5 and 6, R. 1376.)

The dealer associations are independent of General Motors and are not operated, directed, controlled, or guided by General Motors. Each was formed many years ago without solicitation or encouragement by General Motors. None engages in the sale of automobiles. Each provides various services for its dealer members, among which are the maintaining of an information bureau to assist dealers in making exchanges with other dealers to obtain particular Chevrolet cars of models, colors and equipment required to fill orders from particular cus-

tomers; the providing of advertising campaigns and sales promotion activities; and the engaging in advocating the passage of legislation pertaining to motor vehicles. (Fdg. 7, R. 1376.)

No contract or agreement existed between General Motors and any of the dealer associations. (Fdg. 45 in part, R. 1396.)

Each General Motors dealer, whether of Chevrolet or other General Motors cars, is individually franchised and each dealer individually has a Dealer Selling Agreement with General Motors which is substantially identical in contractual provisions. (Fdg. 9 in part, R. 1377.) These Dealer Selling Agreements restrict the dealer from establishing branch sales offices at locations other than his approved place of business. They do not preclude the dealer from soliciting customers anywhere he may see fit or from selling to them at any price, but do preclude the dealer from using unapproved business locations from which to solicit sale of Chevrolets. (Fdg. 11, R. 1378.)

Early in the summer of 1960, some Chevrolet dealers in Southern California were selling Chevrolets pursuant to agreements or understandings with some discount houses or referral services. In every case, the sale of the car to the customer was made by the Chevrolet dealer through the discount house¹ with title passing directly from the dealer to the customer; in no case did the dealer sell to the discount house; and in no case did the discount

¹As in appellant's brief, "discount house" will be used here to mean both a discount house and a referral service through either of which a dealer was or is selling Chevrolets.

house make a resale. (Fdg. 18, R. 1384.) Each discount house operated from a business location removed from the authorized location of the Chevrolet dealer involved and most were merchandising locations for wares of many sorts. The practice of selling Chevrolet automobiles through discount houses engaged in by some Chevrolet dealers has the same effect as direct establishment by such dealers of branch sales offices without approval of Chevrolet (Fdg. 20, R. 1385.)

Beginning in the summer of 1960, appellee Losor,² through some of its dealer-members, complained to the Chevrolet Los Angeles Zone Office about the sale by some dealers through discount houses. At a meeting of Losor on November 10, 1960, the Chevrolet dealers then present agreed to write letters or send telegrams to General Motors asking that something be done regarding the situation.³ Some such letters and telegrams were sent by members of Losor and their salesmen by reason of encouragement by Losor, and some were sent independently on the writer's own initiative. Some members sent nothing and some letters were written by salesmen without the knowledge or consent of their em-

²Neither appellee DSI nor appellee Foothill were then involved, their first connection being December 15, 1960, when they and Losor met for the first time concerning the problem of dealers selling through discount houses. (Fdg. 40, R. 1393. See also footnote 4, Appellant's Brief p. 8.)

³There was never any agreement between the dealer associations, or any of them, and General Motors as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice. (Fdg. 43, concluding sentence, R. 1395.)

playing dealer.⁴ No form of letter was proposed by Losor and each member acted independently in composing and sending such letters and telegrams. In encouraging this to be done, Losor sought to bring the facts surrounding discount house merchandising of Chevrolets to the attention of General Motors policy-making officials. (Fdg. 35, R. 1391.)

After investigating and reviewing the developments in the use of discount houses throughout the United States on or before December 14, 1960, General Motors took a stand on discount houses. It sent a letter to every General Motors dealer in the United States expressing its opposition to arrangements by dealers with discount houses in view of the dealers' obligations under their Dealer Selling Agreements. Simultaneously General Motors instructed its personnel to meet individually with every such dealer to review the letter for the purpose of attempting to induce and persuade each General Motors dealer to refrain from entering into arrangements

⁴In its brief, appellant baldly asserts that Losor "was motivated by fear of price competition." No such finding was made and the record does not support the assertion as an established fact. The trial court found: "In some instances, some of the complaining salesmen, and in one or two instances a dealer, complained in telegrams about the 'cut rate' or 'discount price' offered on sales by dealers through discount houses. The evidence in the record, however, does not indicate that General Motors at any time was concerned regarding the prices at which Chevrolet automobiles were sold since any dealer could sell at any price he desired to any customer anywhere." (Fdg. 1, 38, R. 1393.) As expressed in the latter part of Finding 35 (R. 1391), "In encouraging dealer-members and their salesmen to cause letters and telegrams to be sent to officials of General Motors Corporation, Losor sought to bring the facts surrounding the discount house and referral service merchandising of Chevrolet automobiles to the attention of policy-making officials of General Motors in Detroit."

for the sale of new General Motors cars through discount houses in violation of the Dealer Selling Agreements. (Fdg. 36, R. 1391-1392.) In carrying out these instructions, Chevrolet personnel met with every Los Angeles area Chevrolet dealer individually and endeavored to induce and persuade each dealer to refrain from the practice of selling through discount houses.

After General Motors had decided upon its stand, but before notice of this decision had been given to any of its dealers, representatives of Losor, DSI and Foothill met on December 15, 1960, for the first time regarding the practice of sales through discount houses. A committee was formed to investigate and to report back later. Consideration was also given to advocating legislation which would regulate selling through discount houses and referral services. (Fdg. 40, R. 1393.)

Early in 1961, the three dealer associations authorized investigation to determine the extent to which Chevrolet dealers in Southern California were still selling Chevrolets through discount houses. One purpose of this investigation was to secure information about whether sales through discount houses complied with the California Motor Vehicle Code so as to submit the information to the California Legislature in support of a pending bill. Thereupon a representative of the three dealer associations appeared before and submitted to an Assembly Committee of the California Legislature a proposed amendment to a bill then before the Legislature which would, among other things, regulate the sale of automobiles through discount houses. The proposed amend-

ment was accepted and became a part of the bill adopted by the Assembly of the California Legislature. [R. 218-221, inc.]

A second purpose of the investigation was to gather facts about discount house selling to present to General Motors in line with the earlier complaints which had been made. Shoppers were used in connection with this investigation. (Fdg. 41, R. 1394-1395.) Between late February and early May 1961, the dealer associations purchased seven Chevrolets through discount houses (thus showing the practice was still continuing although not necessarily with knowledge of the particular dealer). The facts thereof were given to the Los Angeles Chevrolet Zone Manager. Zone office personnel, acting without any agreement or prearrangement, thereafter informed the particular dealer of the sale. In each instance, the dealer repurchased the car. (Fdg. 42, R. 1394.)

In attempting to persuade General Motors to take some action to bring about a termination of the practice of some dealers in selling through discount houses and in bringing to General Motors' attention the information obtained in 1961, the three dealer associations were acting in furtherance of the interests of their dealer members who were parties to Dealer Selling Agreements which, as all dealers had been informed by General Motors, obligated all Chevrolet dealers to refrain from selling through discount houses. The associations did not act in combination, conspiracy or concert of action with General Motors. There was no agreement between them and General Motors as to what or whether any action would

be taken by General Motors in the matter. (Fdg. 43, R. 1394-1395.)

There was also no agreement between the three dealer associations or any of them and any of their dealer-members that any dealer member should refrain from selling through discount houses. The dealer associations at no time imposed any sanctions or withdrew any association privileges from any member engaged in that practice. The members engaging in selling through discount houses, continued to receive all the benefits of association membership without restriction or discrimination. Some dealers, supplying the greatest volume of sales through discount houses, were elected officers and directors of the dealer associations during such period of time. (Fdg. 44, R. 1395.)

ARGUMENT

INTRODUCTION

Appellant divides its argument into two parts.

First, appellant argues that the clause of the Dealer Selling Agreement of each Chevrolet dealer with the Chevrolet Division of General Motors which obligated the dealer not to establish or have a second business location without approval of Chevrolet violates section 1 of the Sherman Act. Appellant apparently concedes that the obligation is a "vertical" restraint but contends that such a "vertical" restraint here is violative of the Sherman Act, section 1. That is a matter which is fully considered and argued in the brief of General Motors. Although the dealer associations submit that such "vertical" restraint

is not violative of the law, the question does not involve them.

Second, appellant assumes correctly that the obligation of a dealer (attacked in appellant's first point) is valid and not violative of the Sherman Act. Nevertheless appellant argues, contrary to the trial court's findings, that the record as a matter of law shows a horizontal conspiracy among all *the individual Chevrolet dealers* (joined by General Motors) to prevent sales through discount houses in violation of the Sherman Act. The question raised by this point and stated in appellant's Notice of Appeal and Jurisdictional Statement also does not involve appellee dealer associations. Moreover, assuming *arguendo* that the question does concern the dealer associations, appellant has failed to make out any violation of law.

I. APPELLANT HAS RAISED NO QUESTION WHICH RELATES TO THE DEALER ASSOCIATIONS.

Both appellant's Notice of Appeal and Jurisdictional Statement stated that the sole question presented by this appeal is —

"Whether an arrangement between General Motors and all its franchised Chevrolet dealers in the Southern California area whereby the latter undertook not to sell new automobiles through discount houses or referral agencies violated Section 1 of the Sherman Act."
(Emphasis added.)

No other question was stated to exist or to be presented by this appeal.⁵

The dealer associations nowhere are mentioned or concerned in the stated question. None of the dealer associations engages in the sale of any automobiles. None is a franchised dealer. And the trial court found:

“43. . . . They [appellee dealer associations] did not act in combination, conspiracy, or concert with General Motors. There was no agreement *between the defendant dealer associations, or any of them, and General Motors* as to what action General Motors would take or whether General Motors would take any action at all with respect to the practice by some Chevrolet dealers of selling through discount houses or referral services. (Emphasis added.)

“44. There was no express or implied agreement *between defendant associations or between any of them and any of their dealer members* that any of said dealer members should refrain from selling through discount houses or referral services. . . .” (Emphasis added.) (Fds. 43 and 44, R. 1395.)

⁵On page 19 of its brief, appellant states:

“General Motors entered into agreements with each of its Los Angeles area [franchised Chevrolet] dealers forbidding the dealers to sell through discount houses. In the court below, General Motors argues that such a prohibition is implicit in the provision of its standard franchise agreement by which every Chevrolet dealer agrees not to establish a branch location without the approval of General Motors. The basic question in this case is whether the agreement prohibiting dealers from selling through discount houses violates Section 1 of the Sherman Act because it restrains trade unreasonably. The court below held it reasonable and lawful.” (Bracketed words added.)

The single question, contained in both appellant's Notice of Appeal and appellant's Jurisdictional Statement, contains nothing regarding the dealer associations and the foregoing findings are not, and cannot be, questioned by appellant.

As to a notice of appeal, Rule 10(2) of the Revised Rules of this Court expressly provides:

"2. The notice of appeal shall be in three parts: . . .
(c) It shall set forth the questions presented by the appeal, expressed in the terms and circumstances of the case but without unnecessary detail . . . The statement of a question presented will be deemed to include every subsidiary question fairly comprised therein. *Only the questions set forth in the notice of appeal or fairly comprised therein will be considered by the court. . .*" (Emphasis added.)

Regarding the jurisdictional statement, Rule 15(1)(c)(1), Revised Rules of this Court, expressly provides:

"1. The jurisdictional statement required by paragraph 2 of Rule 13 shall contain in the order here indicated —

"(c)(1) The questions presented by the appeal, expressed in the language and circumstances of the case but without unnecessary detail. . . The statement of a question presented will be deemed to include every subsidiary question fairly comprised therein. *Only the questions set forth in the jurisdictional statement or fairly comprised therein will be considered by the court.*" (Emphasis added.)

If the Revised Rules of this Court are to be meaningful, appellant must be restricted to the question set forth in its Notice of Appeal and Jurisdictional Statement. Only the question set forth "or fairly comprised therein will be considered by the court." (Rule 10(2)(c); Rule 15(1)(c)(1).) It ought to be unnecessary to say that the Rule provisions apply to appeals by the Government as well as to those by other litigants. (*United States v. Yellow Cab Co.*, 338 U.S. 338, 341-342, so holding as to Rule 52, Federal Rules of Civil Procedure.)

Even if it were conceded *arguendo* that appellant is entitled to raise new questions for the first time in its brief, nothing in appellant's attack (in the first section of its brief) upon the Chevrolet location clause as an unlawful vertical restraint remotely concerns the dealer associations. This attack necessarily leaves out the dealer associations because the location clause exists solely in contracts between General Motors and all Chevrolet dealers.

II. THE DEALER ASSOCIATIONS DID NOT CONSPIRE IN VIOLATION OF SECTION I OF THE SHERMAN ACT.

In this section of this brief, we assume *arguendo* that the appellant is not bound by the question it framed for this appeal, so that it may legitimately argue that the dealer associations are involved in the appeal. As just demonstrated, even this assumption plainly leaves the dealer associations out with respect to appellant's attack upon the vertical agreements between General Motors and each of its Chevrolet dealers. The dealer associations

would also seem to be beyond the scope of the second part of appellant's attack, which is aimed at a supposed horizontal conspiracy, under this assumption. The horizontal conspiracy about which appellant talks was one among dealers, not among dealer associations. The purpose of this section is to show, however, that even if appellant further changes its stance and argues that the associations were involved in the supposed horizontal conspiracy, appellant is without support in the law or the record.

Appellant states that the second part of its brief proceeds on the assumptions (1) "that the agreements with each dealer barring sales by the dealer through discount houses do not unreasonably restrain trade"; and (2) "that a conspiracy in the circumstances of this case cannot be proved merely by establishing that a number of dealers called upon General Motors to prevent sales through discount outlets — by hypothesis in this part of our brief, a practice that General Motors was entitled to forbid its dealers to engage in" or by showing "that General Motors, by enforcing a restriction imposed by the franchise agreement (as General Motors interprets it) upon that practice, facilitated parallel behavior (*i.e.*, refusing to sell through discount houses) on the part of its dealers." As to the two alternatives of its second assumption, appellant correctly observes, "Both of these approaches would represent, in our opinion, an unwarranted extension of antitrust conspiracy doctrine, because the result of applying their logic would be to deem all vertical restrictions upon distributors *per se* illegal conspiracies."

Nonetheless, appellant argues that dealers would violate Section 1 of the Sherman Act by seeking to bring to the attention of General Motors the sales through discount houses by other dealers so that General Motors could take action, if it saw fit, to persuade the errant dealers to conduct their dealerships in accordance with their obligations under the Dealer Selling Agreements.

Appellant says it does "not dispute the right of individual dealers in the Los Angeles area to urge General Motors to exercise whatever rights it might have to prevent sales through discount houses, or their right to discuss the problem with each other." (Br. 39.) Appellant says, however, that the dealers "went much further" and "agreed . . . to exert pressure upon General Motors to prevent such selling" and erroneously asserts that their motive or agreement was "directed at limiting price competition" (Br. 39, 40.)

In the first place, there was no such agreement as asserted by appellant between all franchised Chevrolet dealers. It was at a meeting of Losor on November 10, 1960, where the dealer-members then present agreed to write or telegraph General Motors concerning the discount house situation. No form was suggested. Each letter or telegram was composed individually by the particular writer. Some were by dealers and some were by salesmen. (R. 40-41.) There was no discussion "concerning what the content" would be. "That was left to each individual dealer. We left it to each individual dealer to express his own opinions." (R. 47.) As early as June 1960, certain dealer-members of Losor were of

the opinion that sales through discount houses were a violation of the Dealer Selling Agreement and were undertaking to submit proof that such selling was taking place through such unauthorized location. (R. 56.) (See also R. 190-191.) Neither DSI nor Foothill was involved. In encouraging its dealer-members to write or telegraph, "Losor sought to bring the facts surrounding the discount house and referral service merchandising of Chevrolet automobiles to the attention of policy-making officials of General Motors in Detroit." (Fdg. 35, R. 1391.)

Second, appellant's logic is extraordinarily obscure. If, as appellant necessarily concedes, the dealers would not violate the Sherman Act by individually pressuring General Motors to exercise its rights or by discussing the problem with each other, how does their taking the one further step of some of them agreeing to complain become so anti-competitive as to violate the Sherman Act? We submit that there is no authority in the record, in logic or in the authorities for such a conclusion.

Appellant's further assertion that these dealers were motivated at "limiting price competition" is incorrect. The undisputed evidence shows that each dealer, at all times, has been and remains completely unrestricted and may sell a car to whomsoever he sees fit for any price he decides upon. (R. 330-331; Fdgs. 10, R. 1378) Indeed, appellant admits that the asserted "agreement was not in form one to fix prices." (Br. 41.) And, as found by the trial court, that which was done by dealers as well as that done by appellee dealer associations was done to bring to the attention of General Motors policy-making

officials the fact that some dealers were engaging in selling through discount houses—so that General Motors could determine whether and what, if anything, it should do about the situation.

Appellant argues that the activities of the dealers constituted a "boycott" of discount houses. There is no evidence that any dealer agreed with any other dealer or dealers not to sell a new Chevrolet through any discount house. There is no evidence that any of the dealer associations had or made any agreement with any dealer (whether a member or not) that the dealer was not to sell through any discount house. No sanctions, penalties or discriminations were imposed upon any dealer who sold through any discount house. Whether any dealer would or would not sell through a discount house was a matter between General Motors and that dealer under the Dealer Selling Agreement.

Apparently, it is appellant's position that any activity by dealers or by the dealer associations, to bring to General Motors' attention sales by franchised dealers through discount houses in violation of the Dealer Selling Agreement, even though the objective be the enforcement of a lawful vertical restraint, violates section 1 of the Sherman Act. The cases appellant cites for this proposition, however, do not support it because they involved obvious horizontal arrangements:

1. *Eastern States Retail Lumber Dealers' Assn. v. United States*, 234 U.S. 600, involved a plain *horizontal* arrangement between retailers to place wholesalers (who sold to a retailer's customer) on a blacklist which

was circulated among the retailers so that the latter thereafter would withhold patronage from the black-listed wholesaler. That is nowhere remotely akin to what is here presented by the evidence and found by the trial court.

2. *Fashion Originators' Guild v. Federal Trade Commission*, 312 U.S. 457, involved a *horizontal* arrangement by Guild members and others to boycott retailers and manufacturers who declined to comply with the Guild's program to "accomplish its unlawful object", narrowing the outlets to which garment and textile manufacturers could sell and the sources from which retailers could buy.

3. *Klor's Inc. v. Broadway-Hale Stores, Inc.*, 359 U.S. 207, involved a *horizontal* arrangement not to sell to Klor's although the latter was as well equipped as Broadway to handle the appliances of the brands of General Electric, RCA, Admiral, Zenith, Emerson and the like.

4. *United States v. Socony-Vacuum Oil Company*, 310 U.S. 148, involved a *horizontal* arrangement by defendant major oil companies and certain independent refiners for a program of purchasing gasoline in excess of amounts which defendants would have purchased but for those programs, all for the purpose of price fixing.

5. *Interstate Circuit, Inc. v. United States*, 306 U.S. 208, involved a *horizontal* arrangement of distributors of Class "A" motion picture films, between themselves,

and with "first run" exhibitors, requiring "second run" exhibitors to charge not less than a certain admission price in subsequent showings of Class "A" pictures and not to show the same with any other picture (i.e. not to "double bill").

The only other case cited—*United States v. Parke, Davis & Co.*, 362 U.S. 29—involves a situation where defendant, who sold both to retailers and to wholesalers, announced a resale maintenance policy for its products. Its representatives were instructed to and did inform wholesalers that it would refuse to deal with wholesalers who sold to retailers not observing the price policy. Its representatives also informed retailers, some of whom refused to comply to the price policy. Defendant refused to sell to non-complying retailers and directed the wholesalers not to sell to non-compliers. The result was a combination to adhere to prices as established by defendant, an agreement regarding the price at which the defendant's products were to be sold.

In the present case, the location provision of the Dealer Selling Agreement is lawful. The evidence shows and the trial court found that the restriction is reasonable and operates to promote, not to defeat, competition. Obviously, there is no "price fixing" involved. Each Chevrolet dealer is expected to and does engage in fierce competition with other Chevrolet dealers and with dealers of other makes of automobiles. Each Chevrolet dealer may sell at any price and to anyone he chooses. He has no territorial exclusivity and no territorial security. The location restriction contained in the Dealer Selling Agree-

ment is reasonable and indeed essential for General Motors to compete with others (see Fdgs. 10-32, incl.; R. 1377-1390) and promotes rather than impairs competition and benefits the purchasing public. (Fdg. 33, R. 1390-1391.)⁶ The "rule of reason" is fully applicable and properly was applied in this cause. (*Standard Oil Co. of New Jersey v. United States*, 221 U.S. 1; *Chicago Board of Trade v. United States*, 246 U.S. 231; *White Motor Co. v. United States*, 372 U.S. 253.)

As so aptly stated by the trial court in rendering its oral opinion (R. 1370-1371):

"Since General Motors was legally entitled to enforce its contracts, the mere urging of some of its dealers for assistance would not seem to change an independent action by General Motors into a combination or conspiracy.

". . . To hold that a conspiracy arises, where a person is urged by other persons to exercise his legal rights, and he does so, would preclude communication between business organizations. In this connection the Government relies upon *United States v. Parke, Davis & Co.*, 362 U.S. 29, but that case is wholly different from this case.

⁶"33. The Chevrolet franchise system with its location restrictions and its restrictions against transferring or assigning to third parties sales and service obligations promotes rather than impairs competition in the retail sale of Chevrolet automobiles and benefits the purchasing public. It enhances Chevrolet's ability to compete with other manufacturers, promotes the competition of Chevrolet dealers with dealers selling rival makes and promotes the competition of Chevrolet dealers with each other."

SUPREME COURT OF THE UNITED STATES

No. 46.—OCTOBER TERM, 1965.

United States, Appellant,	}	On Appeal From the United States District Court for the Southern District of California.
v.		
General Motors Corporation et al.		

[April 28, 1966.]

MR. JUSTICE FORTAS delivered the opinion of the Court.

This is a civil action brought by the United States to enjoin the defendants from participating in an alleged conspiracy to restrain trade in violation of § 1 of the Sherman Act.¹ The United States District Court for the Southern District of California concluded that the proof failed to establish the alleged violation, and entered judgment for the defendants. The case is here on direct appeal under § 2 of the Expediting Act, 15 U. S. C. § 29 (1964 ed.). We reverse.

I.

The defendants are the General Motors Corporation, which manufactures, among other things, the Chevrolet line of cars and trucks, and three associations of Chevrolet dealers in and around Los Angeles, California.² All of the Chevrolet dealers in the area belong to one or more of the defendant associations.

¹ The statute reads in relevant part: "Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal" 15 U. S. C. § 1 (1964 ed.).

² Named as co-conspirators but not as defendants are "[t]he officers, directors, and members of [the three associations], certain officers and employees of such members, certain officers and employees of General Motors, other Chevrolet dealers in the Southern California area, and others to the plaintiff unknown"

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Chevrolets are ordinarily distributed by dealers operating under a franchise from General Motors. The dealers purchase the cars from the manufacturer, and then retail them to the public. The relationship between manufacturer and dealer is incorporated in a comprehensive uniform Dealer Selling Agreement. This agreement does not restrict or define those to whom the dealer may sell. Nor are there limitations as to the territory within which the dealer may sell. Compare *White Motor Co. v. United States*, 372 U. S. 253. The franchise agreement does, however, contain a clause (hereinafter referred to as the "location clause") which prohibits a dealer from moving to or establishing "a new or different location, branch sales office, branch service station, or place of business including any used car lot or location without the prior written approval of Chevrolet."

Beginning in the late 1950's, "discount houses" engaged in retailing consumer goods in the Los Angeles area and "referral services"³ began offering to sell new cars to the public at allegedly bargain prices. Their sources of supply were the franchised dealers. By 1960 a number of individual Chevrolet dealers, without authorization from General Motors, had developed working relationships with these establishments. A customer would enter one of these establishments and examine the literature and price lists for automobiles produced by several manufacturers. In some instances, floor models were available for inspection. Some of the establishments negotiated

³ Since the evidence does not consistently distinguish between "discount houses" and "referral services," based either on the variety of goods offered to the public or on the nature of the arrangement between the establishment and the franchised dealer which supplied it with cars, we shall hereinafter use the term "discounter" to embrace all such establishments.

with the customer for a trade-in of his old car, and provided financing for his new-car purchase.

The relationship with the franchised dealer took various forms. One arrangement was for the discounter to refer the customer to the dealer. The car would then be offered to him by the dealer at a price previously agreed upon between the dealer and the discounter. In 1960, a typical referral agreement concerning Chevrolets provided that the price to the customer was not to exceed \$250 over the dealer's invoiced cost. For its part in supplying the customer, the discounter received \$50 per sale.

Another common arrangement was for the discounter itself to negotiate the sale, the dealer's role being to furnish the car and to transfer title to the customer at the direction of the discounter. One dealer furnished Chevrolets under such an arrangement, charging the discounter \$85 over its invoiced cost, with the discounter getting the best price it could from its customer.

These were the principal forms of trading involved in this case, although within each there were variations,⁴ and there were schemes which fit neither pattern.⁵

⁴ One dealer, for example, paid his referral service one-third of the gross profit on each sale, up to \$75, there being no fixed price at which the sale was to take place. The same dealer earlier had paid a flat fee of \$17.50 for every referral, whether or not the sale was consummated.

⁵ At least one discount house actually purchased its cars from cooperative dealers, then resold them to its customers. In this situation, which in the trade is referred to as "bootlegging," the customer does not receive a new-car warranty. General Motors, while disapproving of the practice, does not assert that it violates the "location clause." In those arrangements against which General Motors and the associations did direct their efforts, title to the new car passed directly from dealer to retail customer, who thus obtained a new-car warranty and service agreement.

There must also be distinguished the ubiquitous practice of using "bird dogs"—informal sources who steer occasional customers toward a particular dealer, in return for relatively small fees—often a bottle

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By 1960 these methods for retailing new cars had reached considerable dimensions. Of the 100,000 new Chevrolets sold in the Los Angeles area in that year, some 2,000 represented discount house or referral sales. One Chevrolet dealer attributed as much as 25% of his annual sales to participation in these arrangements, while another accounted for between 400 and 525 referral sales in a single year.

Approximately a dozen of the 85 Chevrolet dealers in the Los Angeles area were furnishing cars to discounters in 1960. As the volume of these sales grew, the nonparticipating Chevrolet dealers located near one or more of the discount outlets⁶ began to feel the pinch. Dealers lost sales because potential customers received, or thought they would receive,⁷ a more attractive deal from a dis-

of liquor. This practice is not only deemed by General Motors not to violate the "location clause," but has the corporation's endorsement as a desirable sales device.

⁶ As the District Court found, 70% of the local Chevrolet dealers were located within five miles of one or more of the 23 discount house or referral outlets.

⁷ There is evidence in the record that discount sales undercut the prices at which franchised dealers were able to, or chose to, compete. Two purchasers of Chevrolets, one on referral and the other in a discount house "sale," testified that they had "shopped" other dealers but found the discount and referral prices lower. Dealers and their salesmen complained to General Motors about sales lost through inability to meet the discounters' price. Moreover, the discounters advertised and actually provided auto loans at interest rates substantially lower than those offered by G. M. A. C., General Motors' financing subsidiary.

There is also evidence that it was not just price itself which induced customers to purchase Chevrolets through the discounters. One customer testified that he preferred the discount house because he thereby avoided the haggling over price which seems an inevitable facet of purchasing a car in the orthodox way. Others apparently assumed, without bothering to confirm by comparison shopping, that "discount" stores would offer lower prices. This assumption was fed

counter who obtained his Chevrolets from a distant dealer. The discounters vigorously advertised Chevrolets for sale, with alluring statements as to price savings. The discounters also advertised that all Chevrolet dealers were obligated to honor the new-car warranty and to provide the free services contemplated therein; and General Motors does indeed require Chevrolet dealers to service Chevrolet cars, wherever purchased, pursuant to the new-car warranty and service agreement. Accordingly, nonparticipating dealers were increasingly called upon to service, without compensation, Chevrolets purchased through discounters. Perhaps what grated most was the demand that they "precondition" cars so purchased—make the hopefully minor adjustments and do the body and paint work necessary to render a factory-fresh car both customer- and road-worthy.

On June 28, 1960, at a regular meeting of the defendant Losor Chevrolet Dealers Association, member dealers discussed the problem and resolved to bring it to the attention of the Chevrolet Division's Los Angeles zone manager, Robert O'Connor. Shortly thereafter, a delegation from the association called upon O'Connor, presented evidence that some dealers were doing business with the discounters, and asked for his assistance. O'Connor promised he would speak to the offending dealers. When no help was forthcoming, Owen Keown, a director of Losor, took matters into his own hands. First, he spoke to Warren Biggs and Wilbur Newman, Chevrolet dealers who were then doing a substantial business with discounters. According to Keown's testimony, Newman told him that he would continue the practice "until . . . told not to by" Chevrolet, and that "when the Chevrolet Motor Division told him not to do it, he

by discount house advertising which promised "the lowest price anywhere" and "savings of hundreds of dollars."

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knew that they wouldn't let some other dealer carry on with it."⁸

Keown then reported the foregoing events at the association's annual meeting in Honolulu on November 10, 1960. The member dealers present agreed immediately to flood General Motors and the Chevrolet Division with letters and telegrams asking for help. Salesmen, too, were to write.⁹

Hundreds of letters and wires descended upon Detroit—with telling effect. Within a week Chevrolet's O'Connor was directed to furnish his superiors in Detroit with "a detailed report of the discount house operations . . . as well as what action we in the Zone are taking to curb such sales."¹⁰

By mid-December General Motors had formulated its response. On December 15, James M. Roche, then an executive vice president of General Motors, wrote to some of the complaining dealers. He noted that the

⁸ Dealer Biggs put the same sentiments into a letter to both Keown and Chevrolet's zone manager O'Connor, written on November 5, 1960. The day before, in O'Connor's presence, Keown had challenged Biggs to justify his dealings with the discounters. Biggs wrote: "We would be most reluctant to discard an account as good as this one without rather concrete assurance that it would not immediately be picked up by another Chevrolet dealer." Two weeks later, O'Connor forwarded Biggs' letter to General Motors officials in Detroit.

⁹ In Keown's words, "We were seeking the assistance of the higher echelon officials of Chevrolet and General Motors in bringing about an end to the discount house sale of Chevrolets."

¹⁰ O'Connor's report, dated November 22, recounted that "zone management" had talked with the offending dealers "in an attempt to have them desist," and that "[o]ur Dealer Associations have formed a committee to call on the supplying dealers and have asked them and have attempted to persuade them to discontinue this practice." Supported by a copy of dealer Biggs' letter, see n. 8, *supra*, O'Connor predicted that "many dealers will cease this type of business if they had any assurance that the account would not be picked up by some other dealer, immediately upon relinquishment."

practices to which they were objecting "*in some instances* represent the establishment of a second and unauthorized sales outlet or location contrary to the provisions of the General Motors Dealers Selling Agreements." (Emphasis supplied.) Recipients of the letter were advised that General Motors personnel proposed to discuss that matter with each of the dealers.¹¹ O'Connor in Los Angeles was apprised of the letter's content and instructed to carry on the personal discussions referred to therein. With respect to the offending dealers, he was to work with Roy Cash, regional manager for the Chevrolet Division. Cash had been briefed on the subject in Detroit on December 14.

General Motors personnel proceeded to telephone all area dealers, both to identify those associated with the discounters and to advise nonparticipants that General Motors had entered the lists. The principal offenders were treated to unprecedented individual confrontations with Cash, the regional manager. These brief meetings were wholly successful in obtaining from each dealer his agreement to abandon the practices in question. Some capitulated during the course of the four- or five-minute meeting, or immediately thereafter.¹² One dealer, who met not with Cash but with the city sales manager for

¹¹ Roche wrote to those dealers who had complained directly to John Gordon, then president of General Motors. On December 29, 1960, a virtually identical letter went out to all General Motors dealers throughout the Nation, under the signature of the general sales managers for the respective divisions.

¹² One dealer abruptly terminated arrangements he had long maintained with two discount houses, despite the fact that one of these connections owed him \$20,000 and the other \$28,000. In the preceding four weeks the latter had reduced his indebtedness by \$52,000 and could reasonably have been expected to erase it completely within a few weeks. The dealer anticipated that upon cancellation of the accounts these debts would become uncollectible. His fears were justified. The accounts were terminated. The debts remained unpaid.

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Chevrolet, put off decision for a week "to make sure that the other dealers, or most of them, had stopped their business dealings with discount houses."¹³

There is evidence that unanimity was not obtained without reference to the ultimate power of General Motors. The testimony of dealer Wilbur Newman was that regional manager Cash related a story, the relevance of which was not lost upon him, that in handling children, "I can tell them to stop something. If they don't do it . . . I can knock their teeth down their throats."

By mid-January General Motors had elicited from each dealer a promise not to do business with the discounters. But such agreements would require policing—a fact which had been anticipated. General Motors earlier had initiated contacts with firms capable of performing such a function. This plan, unilaterally to police the agreements, was displaced, however, in favor of a joint effort between General Motors, the three defendant associations, and a number of individual dealers.

On December 15, 1960, the three defendant associations had met and appointed a joint committee to study the situation and to keep in touch with Chevrolet's

¹³ According to Francis Bruder, a dealer who had been doing business with the discounters since 1957, "Cash told me that he felt certain that the other dealers would discontinue dealing with discount houses and referral services as well. I left this meeting with the impression that every dealer who had been doing business with a discount house or referral service would soon quit."

This was precisely the impression General Motors had intended to implant. As was explained in an inter-office memorandum to the general sales manager of General Motors' Chevrolet Division, "[All dealers were talked to] in order that every dealer with whom the subject was discussed would know that a similar discussion was being held with all other dealers so that if certain dealers should elect to discontinue their cooperation with a discount house, we might be able to discourage some other dealer who might be solicited from starting the practice."

O'Connor.¹⁴ Early in 1961, the three associations agreed jointly to finance the "shopping" of the discounters to assure that no Chevrolet dealer continued to supply them with cars. Each of the associations contributed \$5,000, and a professional investigator was hired. He was instructed to try to purchase new Chevrolets from the proscribed outlets, to tape record the transactions, if any, and to gather all the necessary documentary evidence—which the associations would then lay "at the doorstep of Chevrolet." These joint associational activities were both preceded and supplemented by similar "shopping" activities by individual dealers and by defendant Losor Chevrolet Dealers Association.

General Motors collaborated with these policing activities. There is evidence that zone manager O'Connor and a subordinate, Jere Faust, actively solicited the help of individual dealers in uncovering violations. Armed with information of such violations obtained from the dealers or their associations, O'Connor or members of his staff would ask the offending dealer to come in and talk. The dealer then was confronted with the car purchased by the "shopper," the documents of sale, and in most cases a tape recording of the transaction. In every instance, the embarrassed dealer repurchased the car, sometimes at a substantial loss, and promised to stop such sales. At the direction of O'Connor or a subordinate, the checks with which the cars were repurchased were

¹⁴ The District Court characterized this December 15 meeting as the first between representatives of the three associations, pertaining to the problem of discount house and referral sales. However, as we have previously noted, n. 10, *supra*, O'Connor reported to General Motors three weeks earlier, on November 22, that the three associations had formed a committee which already had called upon non-conforming dealers. The record does not enable us to resolve this factual conflict, nor is its resolution important. On either version, the defendant associations entered into an explicit agreement to act together to eliminate the new mode of intrabrand competition.

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made payable to an attorney acting jointly for the three defendant associations.

O'Connor testified that on no occasion did he "force" a dealer to repurchase; he merely made the opportunity available. But one dealer testified that when an assistant zone manager for the Chevrolet Division asked him to come in and talk about discount sales, "he specified a sum of money which I was to bring with me when I came down and saw him. . . . I kept the appointment and brought a cashier's check. I knew when I came down to Los Angeles that I was going to repurchase an automobile" Another dealer testified that upon being confronted with evidence that one of his cars had been purchased through a referral service, he not only bought it back (without questioning the correctness of the price exacted) but also fired the employee responsible for the transaction—although the employee had been commended by the Chevrolet Division a few weeks earlier as the "number one fleet salesman" in the 11-state Pacific region.

By the Spring of 1961, the campaign to eliminate the discounters from commerce in new Chevrolet cars was a success. Sales through the discount outlets seem to have come to a halt. Not until a federal grand jury commenced an inquiry into the matters which we have sketched does it appear that any Chevrolet dealer resumed its business association with the discounters.

II.

On these basic facts, the Government first proceeded criminally. A federal grand jury in the Southern District of California returned an indictment. After trial, the defendants were found not guilty. The present civil action, filed shortly after return of the indictment, was then brought to trial.

Both the Government and the defendants urge the importance, for purposes of decision, of the "location clause" in the Dealer Selling Agreement which prohibits a franchised dealer from moving to or establishing "a new or different location, branch sales office, branch service station, or place of business . . . without the prior written approval of Chevrolet." The defendants contend that this contractual provision is lawful, and that it justifies their actions. They argue that General Motors acted lawfully to prevent its dealers from violating the "location clause," that the described arrangements with discounters constitute the establishment of additional sales outlets in violation of the clause, and that the individual dealers—and their associations—have an interest in uniform compliance with the franchise agreement, which interest they lawfully sought to vindicate.

The Government invites us to join in the assumption, only for purposes of this case, that the "location clause" encompasses sales by dealers through the medium of discounters. But it urges us to hold that, so construed, the provision is unlawful as an unreasonable restraint of trade in violation of the Sherman Act.¹⁵

We need not reach these questions concerning the meaning, effect, or validity of the "location clause" or of any other provision in the Dealer Selling Agreement, and we do not. We do not decide whether the "location

¹⁵ The Government's complaint contains no reference to the "location clause," and the Government concedes that its case was tried on a conspiracy theory, the defendants injecting the contractual issue by way of defense. Trial counsel for the Government did advert to the clause in the District Court, but it does not appear that he challenged its validity, as construed, in the same sense that the Government does here. See Trial Transcript, pp. 9, 17-18. In light of our disposition of the case, we have no occasion to consider whether the Government's argument directed to the clause, as construed, is properly before us.

clause" may be construed to prohibit a dealer, party to it, from selling through discounters, or whether General Motors could by unilateral action enforce the clause, so construed. We have here a classic conspiracy in restraint of trade: joint, collaborative action by dealers, the defendant associations, and General Motors to eliminate a class of competitors by terminating business dealings between them and a minority of Chevrolet dealers and to deprive franchised dealers of their freedom to deal through discounters if they so choose. Against this fact of unlawful combination, the "location clause" is of no avail. Whatever General Motors might or might not lawfully have done to enforce individual Dealer Selling Agreements by action within the borders of those agreements and the relationship which each defines, is beside the point. And, because the action taken constitutes a combination or conspiracy, it is not necessary to consider what might be the legitimate interest of a dealer in securing compliance by others with the "location clause," or the lawfulness of action a dealer might individually take to vindicate this interest.

The District Court decided otherwise. It concluded that the described events did not add up to a combination or conspiracy violative of the antitrust laws. But its conclusion cannot be squared with its own specific findings of fact. These findings include the essentials of a conspiracy within § 1 of the Sherman Act: That in the summer of 1960 the Losor Chevrolet Dealers Association, "through some of its members," complained to General Motors personnel about sales through discounters (Finding 34); that at a Losor meeting in November 1960 the dealers there present agreed to embark on a letter-writing campaign directed at enlisting the aid of General Motors (Finding 35); that in December and January General Motors personnel discussed the matter with every Chevrolet dealer in the Los Angeles area and elicited from

each a promise not to do business with the discounters (Finding 39); that representatives of the three associations of Chevrolet dealers met on December 15, 1960, and created a joint investigating committee (Finding 40); that the three associations then undertook jointly to police the agreements obtained from each of the dealers by General Motors; that the associations supplied information to General Motors for use by it in bringing wayward dealers into line, and that Chevrolet's O'Connor asked the associations to do so (Findings 41 and 42); that as a result of this collaborative effort, a number of Chevrolet dealers were induced to repurchase cars they had sold through discounters and to promise to abjure such sales in future (Finding 42).

These findings by the trial judge compel the conclusion that a conspiracy to restrain trade was proved.¹⁶ The

¹⁶ We note that, as in *United States v. Parke, Davis & Co.*, 362 U. S. 29, 44-45, the ultimate conclusion by the trial judge, that the defendants' conduct did not constitute a combination or conspiracy in violation of the Sherman Act, is not to be shielded by the "clearly erroneous" test embodied in Rule 52 (a) of the Federal Rules of Civil Procedure. That Rule in part provides: "Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses." As in *Parke Davis, supra*, the question here is not one of "fact," but consists rather of the legal standard required to be applied to the undisputed facts of the case. See *United States v. Singer Mfg. Co.*, 374 U. S. 174, 194, n. 9; *United States v. Mississippi Valley Co.*, 364 U. S. 520, 526, and cases there cited.

Moreover, the trial court's customary opportunity to evaluate the demeanor and thus the credibility of the witnesses, which is the rationale behind Rule 52 (a) (see *United States v. Oregon State Med. Soc.*, 343 U. S. 326, 331-332), plays only a restricted role here. This was essentially a "paper case." It did not unfold by the testimony of "live" witnesses. Of the 38 witnesses who gave testimony, only three appeared in person. The testimony of the other 35 witnesses was submitted either by affidavit, by deposition, or in the form of an agreed upon narrative of testimony given in the earlier

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error of the trial court lies in its failure to apply the correct and established standard for ascertaining the existence of a combination or conspiracy under § 1 of the Sherman Act. See *United States v. Parke, Davis & Co.*, 362 U. S. 29, 44-45. The trial court attempted to justify its conclusion on the following reasoning: That each defendant and alleged co-conspirator acted to promote its own self-interest; that General Motors, as well as the defendant associations and their members, has a lawful interest in securing compliance with the "location clause" and in thus protecting the franchise system of distributing automobiles—business arrangements which the court deemed lawful and proper; and that in seeking to vindicate these interests the defendants and their alleged co-conspirators entered into no "agreements" among themselves, although they may have engaged in "parallel action."

These factors do not justify the result reached. It is of no consequence, for purposes of determining whether there has been a combination or conspiracy under § 1 of the Sherman Act, that each party acted in its own lawful interest. Nor is it of consequence for this purpose whether the "location clause" and franchise system are lawful or economically desirable. And although we regard as clearly erroneous and irreconcilable with others of its findings the trial court's conclusory "finding" that there had been no "agreement" among the defendants and their alleged co-conspirators, it has long been settled that explicit agreement is not a necessary part of a Sher-

criminal proceeding before another judge. A vast number of documents was also introduced, and bear on the question for decision.

In any event, we resort to the record not to contradict the trial court's findings of *fact*, as distinguished from its conclusory "findings," but to supplement the court's factual findings and to assist us in determining whether they support the court's ultimate legal conclusion that there was no conspiracy.

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man Act conspiracy—certainly not where, as here, joint and collaborative action was pervasive in the initiation, execution, and fulfillment of the plan. *United States v. Parke, Davis & Co.*, *supra*, at 43; *United States v. Bausch & Lomb Optical Co.*, 321 U. S. 707, 722-723; *Federal Trade Comm'n v. Beech-Nut Packing Co.*, 257 U. S. 441, 455.

Neither individual dealers nor the associations acted independently or separately. The dealers collaborated, through the associations and otherwise, among themselves and with General Motors, both to enlist the aid of General Motors and to enforce dealers' promises to forsake the discounters. The associations explicitly entered into a joint venture to assist General Motors in policing the dealers' promises, and their joint proffer of aid was accepted and utilized by General Motors.

Nor did General Motors confine its activities to the contractual boundaries of its relationships with individual dealers. As the trial court found (Finding 39), General Motors at no time announced that it would terminate the franchise of any dealer who furnished cars to the discounters.¹⁷ The evidence indicates that it had no intention of acting in this unilateral fashion.¹⁸ On the contrary, overriding corporate policy with respect to

¹⁷ The December letters to all dealers said only that "[i]n effect, in some instances" the arrangements in question might violate the unauthorized location clause of the Dealer Selling Agreement. No dealer was told, either by letter or in person, that *his* conduct violated the franchise agreement, and no dealer was warned that continuance of discount house or referral sales would result in termination of his franchise. Zone manager O'Connor did not regard his instructions from Detroit as authorizing him to go that far, and he was of the view that "the general letter [to all dealers] didn't suggest any such thing."

¹⁸ We refer to this without considering whether General Motors could lawfully have taken such action.

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proper dealer relations¹⁹ dissuaded General Motors from engaging in this sort of wholly unilateral conduct, the validity of which under the antitrust laws was assumed, without being decided, in *Parke Davis, supra*.

As Parke Davis had done, General Motors sought to elicit from each dealer agreements, substantially inter-related and interdependent, that none of them would do business with the discounters. These agreements were hammered out in meetings between nonconforming dealers and officials of General Motors' Chevrolet Division, and in telephone conversations with other dealers. It was acknowledged from the beginning that substantial unanimity would be essential if the agreements were to be forthcoming. And once the agreements were secured, General Motors both solicited and employed the assistance of its alleged co-conspirators in helping to police them. What resulted was a fabric interwoven by many strands of joint action to eliminate the discounters from participation in the market, to inhibit the free choice of franchised dealers to select their own methods of trade and to provide multilateral surveillance and enforcement. This process for achieving and enforcing the desired ob-

¹⁹ James Roche testified, "It is not [General Motors'] practice to threaten dealers with termination of their franchise." Good dealers and dealer locations, he said, are hard to come by. In many dealerships, General Motors itself has invested substantial funds. Therefore, said Roche, "we would not want our people to go in and wave the franchise agreement, selling agreement, and threaten the dealer with termination in the event he didn't agree, after following—after reading a letter he was violating our agreement and should change his practice. Instead we expected that this would be handled in a sound, calm, sensible business-like approach."

There are also statutory inhibitions on the right of an automobile manufacturer to terminate dealer franchises. See Act of Aug. 8, 1956, c. 1038, § 2, 15 U. S. C. § 1222 (1964 ed.); Kessler and Stern, Competition, Contract, and Vertical Integration, 69 Yale L. J. 1, 103-114 (1959).

jective can by no stretch of the imagination be described as "unilateral" or merely "parallel." See *Parke Davis, supra*, at 46; *Federal Trade Comm'n v. Beech-Nut Packing Co.*, 257 U. S. 441, 453; *United States v. Bausch & Lomb Optical Co.*, 321 U. S. 707, 722-723; *Interstate Circuit, Inc. v. United States*, 306 U. S. 208, 226; *United States v. Masonite Corp.*, 316 U. S. 265, 275; Turner, *The Definition of Agreement Under the Sherman Act: Conscious Parallelism and Refusals to Deal*, 75 Harv. L. Rev. 655 (1962).²⁰

There can be no doubt that the effect of the combination or conspiracy here was to restrain trade and commerce within the meaning of the Sherman Act. Elimination, by joint collaborative action, of discounters from access to the market is a *per se* violation of the Act.

In *Klor's, Inc. v. Broadway-Hale Stores, Inc.*, 359 U. S. 207, the Court was confronted with the question whether "a group of powerful businessmen may act in concert to deprive a single merchant, like Klor, of the goods he needs to compete effectively." 359 U. S., at 210. The allegation was that manufacturers and distributors of electrical appliances had conspired among themselves and with a major retailer, Broadway-Hale, "either not to sell to Klor's [Broadway-Hale's next-door-neighbor and competitor] or to sell to it only at discriminatory prices and highly unfavorable terms." 359 U. S., at 209. The Court concluded that the alleged group boycott of even a single trader violated the statute²¹ without regard to the

²⁰ Compare *Klein v. American Luggage Works, Inc.*, 323 F. 2d 787 (C. A. 3d Cir. 1963), and *Graham v. Triangle Publications, Inc.*, 233 F. Supp. 825 (D. C. E. D. Pa. 1964), *aff'd per curiam*, 344 F. 2d 775 (C. A. 3d Cir. 1965), discussed in Fulda, *Individual Refusals to Deal: When Does Single-Firm Conduct Become Vertical Restraint?*, 30 Law and Contemp. Prob. 590, 592-597 (1965).

²¹ The complaint in *Klor's* charged a violation of § 2 of the Sherman Act, as well as of § 1. In the present case, the Government did

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reasonableness of the conduct in the circumstances. Group boycotts of a trader, said the Court, are among those "classes of restraints which from their 'nature or character' were unduly restrictive" 359 U. S., at 211. This was not new doctrine, for it had long been recognized that "there are certain agreements or practices which because of their pernicious effect on competition and lack of any redeeming virtue are conclusively presumed to be unreasonable and therefore illegal without elaborate inquiry as to the precise harm they have caused or the business excuse for their use," and that group boycotts are of this character. *Northern Pac. R. Co. v. United States*, 356 U. S. 1, 5. See also *Fashion Originators' Guild of America, Inc. v. Federal Trade Comm'n*, 312 U. S. 457, and *Eastern States Retail Lumber Dealers' Assn. v. United States*, 234 U. S. 600, 613-614, neither of which involved price-fixing.

The principle of these cases is that where businessmen concert their actions in order to deprive others of access to merchandise which the latter wish to sell to the public, we need not inquire into the economic motivation underlying their conduct. See Barber, *Refusals To Deal Under the Federal Antitrust Laws*, 103 U. Pa. L. Rev. 847, 872-885 (1955). Exclusion of traders from the market by means of combination or conspiracy is so inconsistent with the free-market principles embodied in the Sherman Act that it is not to be saved by reference to the need for preserving the collaborators' profit margins or their system for distributing automobiles, any more than by reference to the allegedly tortious conduct against which a combination or conspiracy may be di-

not charge the defendants under § 2, which provides that "Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor" 15 U. S. C. § 2 (1964 ed.).

rected—as in *Fashion Originators' Guild of America, Inc. v. Federal Trade Comm'n*, *supra*, at 468.

We note, moreover, that inherent in the success of the combination in this case was a substantial restraint upon price competition—a goal unlawful *per se* when sought to be effected by combination or conspiracy. *E. g.*, *United States v. Parke, Davis & Co.*, 362 U. S. 29, 47; *United States v. Socony-Vacuum Oil Co.*, 310 U. S. 150, 223. And the *per se* rule applies even when the effect upon prices is indirect. *Simpson v. Union Oil Co.*, 377 U. S. 13, 16-22; *Socony-Vacuum Oil Co.*, *supra*.

There is in the record ample evidence that one of the purposes behind the concerted effort to eliminate sales of new Chevrolet cars by discounters was to protect franchised dealers from real or apparent price competition. The discounters advertised price savings. See n. 7, *supra*. Some purchasers found and others believed that discount prices were lower than those available through the franchised dealers. *Ibid*. Certainly, complaints about price competition were prominent in the letters and telegrams with which the individual dealers and salesmen bombarded General Motors in November 1960.²² (Finding 38.) And although the District Court found to the contrary, there is evidence in the record that General Motors itself was not unconcerned about the effect of discount sales upon general price levels.²³

²² Evidence on this subject was admitted solely for the purpose of showing the dealers' state of mind, rather than to prove the existence of actual price-cutting by the discounters. But the collaborators' state of mind is of significance here.

²³ In an inter-office memorandum, circulated among General Motors officials immediately prior to formulation of corporate policy *vis-à-vis* the discounters, it was stated that "It would appear that one of the real hazards of condoning this type of operation is that discounted prices are freely quoted to a large portion of the public." Moreover, we note that some discounters advertised that they would finance new-car purchases at an interest rate of 5½%, a rate substantially

The protection of price competition from conspiratorial restraint is an object of special solicitude under the anti-trust laws. We cannot respect that solicitude by closing our eyes to the effect upon price competition of the removal from the market, by combination or conspiracy, of a class of traders. Nor do we propose to construe the Sherman Act to prohibit conspiracies to fix prices at which competitors may sell, but to allow conspiracies or combinations to put competitors out of business entirely.

Accordingly, we reverse and remand to the United States District Court for the Southern District of California in order that it may fashion appropriate equitable relief. See *United States v. Parke, Davis & Co.*, *supra*, at 47-48.

It is so ordered.

lower than that available at franchised Chevrolet dealers through G. M. A. C.—a subsidiary of General Motors Corporation. See n. 7, *supra*. Finally, it is conceded that General Motors is intensely concerned that each of its dealers has an adequate “profit opportunity” (see Finding 17)—a concern which necessarily involves consideration of the price realized by dealers.

SUPREME COURT OF THE UNITED STATES

No. 46.—OCTOBER TERM, 1965.

United States, Appellant,	}	On Appeal From the United States District Court for the Southern District of California.
v.		
General Motors Corpora-		
tion et al.		

[April 28, 1966.]

MR. JUSTICE HARLAN, concurring in the result.

Although I consider that *United States v. Parke, Davis & Co.*, 362 U. S. 29, decided in 1960, represents basically unsound antitrust doctrine, see my dissenting opinion, 362 U. S., at 49, I see no escape from the conclusion that it controls this case. *Parke Davis* held that a manufacturer cannot maintain resale prices by refusing to sell to those who do not follow his suggested prices if the refusal is attended by concerted action with his customers, even though he may unilaterally so conduct himself. See *United States v. Colgate & Co.*, 250 U. S. 300. Although *Parke Davis* related to alleged price-fixing, I have been unable to discern any tenable reason for differentiating it from a case involving, as here, alleged boycotting. The conclusion that *Parke Davis* governs the present case is therefore unavoidable, given the undisputed evidence that General Motors acted in concert with its dealers in enforcing the location clause. In my opinion, however, General Motors is not precluded from enforcing the location clause by unilateral action, and I find nothing in the Court's opinion to the contrary.

On this basis I concur in the judgment of the Court.